

Friday May 1 1998

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Decca Aitkenhead asks:

What are they
doing to Mary
Bell's daughter?

Comment, page 12

Railtrack dangers exposed

Contractors 'put lives at risk'

Keith Harper
Transport Editor

A RAILTRACK internal inquiry has revealed that incompetent contractors are failing to carry out maintenance work, which could result "in a potentially catastrophic accident".

The report states unequivocally that there has been "a worrying trend in the number of incidents which could have led to serious accidents". Government sources said Railtrack admitted deficiencies in arrangements for managing work. Trains are being allowed out on work sites without the line being cleared, and protection systems are being installed at wrong locations.

The report, a copy of which has been obtained by the Guardian, says: "Many of the accidents can clearly be put down to a lack of competence or site knowledge by individuals, and the infrastructure contractors must take the lead in addressing these issues." Railtrack has ordered an immediate tightening up of the rules which allow contractors to do work. In an incident reported by the Rail, Maritime and Transport Union yesterday, six track workers were tested for drugs and two were found to have traces of heroin. They were charged with safety certificates and were immediately sacked. A fortnight later they turned up in

the West Midlands with another firm of subcontractors. Railtrack said: "We and others in the industry are determined to make sure that we have the best safety practices, and we are looking at a variety of methods to improve them. The report speaks for everybody involved in the industry." In recent weeks track workers have reported incidents

including a contractor forgetting to put up a 20mph speed restriction on a 70mph route when work was being carried out, concrete sleepers wearing the track away, and one man given charge of seven

ing London Transport, Heathrow Express and Balfour Beatty, says problems occur because contractors sometimes take control of track at short notice. This can lead to "confusion and misunderstanding". As an increasing number of passenger trespassers are being killed on the track at stations, slips, trips and falls remain the most frequent type of accident, and the report says that more accidents are likely unless sites are properly fenced off. The report comes at a sensitive time for Railtrack, which faces a series of high-profile prosecutions by the railway

safety. It says "major injuries to passengers are continuing at a significantly higher rate than the objective" of one fatality in 50 million passenger journeys. Train collisions and derailments, buffer stop collisions and falls from trains "should all continue to be the focus of attention".

inspectorate for operating on unsafe track. The inspectorate is already prosecuting the company over the derailment of a freight train at Bexley last year, when seven people were injured after a contractor failed to repair the track. Two further prosecutions are threatened. Yesterday's near miss at Cannon Street station, London, when two trains came within 6ft of a head-on crash, and an incident at Clapham station, south London, at the weekend when more than 100 passengers had to be evacuated from a train which almost hit a contractor's wagon, are evidence that the number of incidents is worrying the industry.

Two track workers were found to have traces of heroin. They were immediately sacked. A fortnight later they turned up with another firm

One year on . . . and he's still smiling

'Labour governments have not won two successive terms because the Labour Party falls out with the Labour government and the beneficiaries are the Tories. We must be determined not to repeat those mistakes, whilst listening to criticism.'

Tony Blair,
page 12

Tony Blair and his team have made much more than a flying start. They have notched up perhaps the most successful first year of any administration in British political history. Labour can congratulate itself on a golden year.

Comment,
page 13



Tony Blair is greeted by well-wishers on his arrival in Altrincham yesterday during a day-long visit to Greater Manchester. PHOTOGRAPH: PETER WILCOCK

Straw orders Bell inquiry

Luke Harding

JACK STRAW, the Home Secretary, ordered an inquiry into the Mary Bell book row yesterday after it emerged his officials had known about the project for more than two years but had failed to tell him. Announcing an investigation into what lessons could be learned, Mr Straw said it was "deeply regrettable" Bell should have been paid to collaborate on the book, *Cries Unheard*. His action followed a meeting with June Richardson, whose four-year-old son was killed by Bell in 1968. Bell and her 14-year-old daughter were last night at a secret address as tabloid reporters besieged their seaside home. Her daughter only discovered her mother's true identity on Tuesday night when their house was surrounded by the press. "It is about buying time really and creating space."

Mr Straw yesterday said he shared Mrs Richardson's "anger and frustration that money was being made out of the circumstances of her son's death and that of Brian Howe (Bell's second victim)". The Home Secretary only found out about the payment to Bell after it was disclosed by the Guardian last Saturday. "Following reports that Home Office officials have known about this contract for some time, we have discovered that Durham Probation Service and Home Office officials were aware of the possibility of a book about Mary Bell in early 1996," he said. "I deeply regret that the ministers were not informed and were unable to intervene."

He described the affair as a "sorry episode". He added: "It is equally regrettable that Mary Bell's daughter should suffer because of the irresponsible actions of others" — an oblique swipe at the book's turn to page 2, column 6

The new approach to car crime: here, have this one

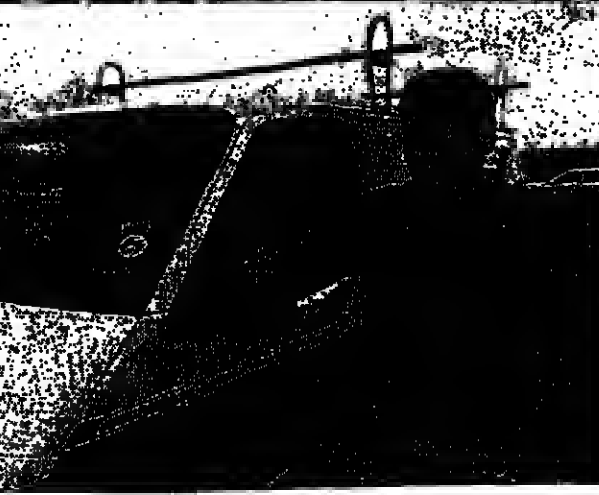
Peter Hetherington

THE Ford Transit is assured of its mundane place in automotive history as the transport of choice across a spectrum of trades, pride of the lifting and carrying classes, a vehicle on the motorway to fame for aspirational rock stars. But it has never been regarded as a head-turner, even when tricked out in white with a go-faster red stripe. Except in Stockton-on-Tees.

Police in the former steel town, determined to transform its reputation as one the nation's hottest spots for vehicle crime, turned a Transit van into a rat trap for thieves. Now it is being stolen 100

times a year — and not just by joyriders. Indeed, it was once stolen by a gang of men on their way to a funeral. On other occasions police have arrived while thieves attempted to strip the engine or remove other parts of the van. The van is parked in areas of Stockton where car crime is high. Seconds after it is stolen, sophisticated tracking devices alert a control room and unmarked police cars, sometimes supported by a helicopter, begin the chase. Now police say vehicle thefts in the area have fallen by 85 per cent in a year. Supt Geoff Lee, the town's police chief, said: "It has proved to be an extremely useful piece of kit and led to significant reductions in crime."

Det Insp Brian Dunn, who is leading the battle against auto crime in Stockton, said the rat trap had uncovered criminal teams unknown to police, and led detectives to premises where vehicles were being stripped. One operation involved planting the van beside workshop units where several Ford Transits had been stolen. Undercover officers watched the van for 15 minutes until a man managed to break in and drove off. The Transit was followed to a shed and then taken to a funeral. "They then came back and started to strip it and we had to act fairly quickly," said Inspector Dunn. "These vans were particularly popular because there seemed to be a black market in their diesel engines."



Detectives Bruce Thorpe (left) and Ian Bedford with the van used to lure thieves

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Sketch

Baffling dish to serve to townies



Simon Hoggart

SOME of the urbanites find the countryside more baffling every day. For example, how is it that on the Archers, half the population of Ambridge turned out for the Gay and Lesbian Pride March, yet not one person went on the Countryside March?

(A colleague of mine was trying to drive slowly through the remains of the crowds on that day. They watched as some bucolic hooligan dropped a Save The Countryside placard in the gutter. "I say, we don't do that sort of thing in the city!" her boyfriend shouted out, and the lumpy rustic dutifully picked it up.)

Agriculture Questions in the Commons are just as confusing. For one thing, most rural areas are now represented by Labour MPs, who traditionally cannot tell one end of a cow from the other. Most of the debate is conducted in an elaborate, jargon-infested code. There are "national envelopes", "the green pound", "tracability schemes", "agri-money", "sheep sectors" and "intervention board figures" - all terms as familiar to a modern farmer as "mulching" was a decade ago.

Then suddenly and unexpectedly we learn that the whole thing is actually about food, stuff you have to put in your mouth. Take Dennis Turner, the Labour MP for the rolling pastures of Wolverhampton. "Is the minister aware," he rumbled, "that he could take advantage of the succulent British beef steak on sale in our Terrace Cafeteria today? It is beautiful."

Review

Anger at Auntie's appeasement

Michael Billington

The Swan, Stratford-upon-Avon

STEPHEN Pollakoff always chooses fascinating subjects: his latest play deals with the failure of BBC Radio in the late 1930s to alert its listeners to the plight of the Jews in Germany. Even if the play would benefit from judicious cutting and the plot descends into improbability, there is still a driving moral force at work.

Pollakoff's hero, Robbie, is a popular song-and-dance man who hosts a radio variety show called Friday Night at Eight. A politicised young producer, Clive, is desperate to make a documentary about the reality of life under Hitler. He tries to engage Robbie's interest but runs up against the BBC's inherent caution.

Watergate departmental structures and Robbie's showbiz ambitions. But increasingly he persuades Robbie to use his live radio show as a means of stirring the nation's conscience over European events, with predictably fatal results.

You can easily point to the flaws in the play's concept and execution. While it is per-

He had planned his tea as well. "If he wishes to take advantage of wonderful fresh fish, lightly battered, brought in by British trawlers, he should visit the Dining Room tonight where he can have some golden chips and lovely mushy peas!"

He was beginning to sound like those menus they bring round on air-planes, where the luxuriant prose-poem descriptions translate as "heated

When would he stop? "And tomorrow, breakfast upon plump British sausages, 85 per cent bread and 10 per cent gristle, rashers of brine-cured bacon, each floating in a private puddle of liquid salt, pale yellow eggs from happy chickens..." No, Mr Turner is, after all, chairman of the catering committee, and thus in a position to hit all members where it hurts: in their bellies.

If Mr Turner's menus sounded awful, they were Marco Pierre White to those offered by Robert Kay (C, Salisbury), who wanted to praise a wholefood factory in his constituency, which offered "Meaty Buns, Barmy Burgers and Veggie Beans".

"Mmmmm, maybe an early visit is called for!" said Jeff Rooker, who is, believe it or not, the minister for food safety. Is there no hope?

A press release floats on to my desk. It is from Conservative Party Central Office and announces a press conference which will be held this morning "to mark Labour's first year in power".

It goes on: "The conference was as familiar to a modern farmer as 'mulching' was a decade ago."

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The Lisburn car-bomb, after bomb disposal men carried out three controlled explosions to make it safe yesterday

IRA vows to keep its guns

John Muffin reports on further blows to the peace process

REPUBLICAN terrorists failed in an attempt to blow the heart out of the Lisburn, Co Down, Tories to hold a peace with fireworks, but surely they could find some more rebarbative way of marking Blair's 365 days. No wonder that an air of dreary, glib defeat still clings to the whole party.

The bomb, removed after three controlled explosions, contained about 700lb of home-made explosives. Investigators were sifting through the remains of the vehicle last night to try to identify who was responsible.

Lisburn, eight miles from Belfast, houses the Northern Ireland HQ of the British Army.

But Tony Blair said: "It has got to be absolutely clear that people who serve in the government of Northern Ireland give up violence, whichever party it is." The deal was a package, and there was no opportunity to cherry-pick.

The agreement requires the decommissioning of all terrorist weapons within two years of the proposed assembly beginning work. No party linked to a paramilitary group is supposed to take its place in the power-sharing executive until the group has started to hand them over.

The Ulster Unionist leader, David Trimble, called on Mr Blair to make it clear to Sinn Féin that IRA prisoners cannot benefit from the amnesty

in the deal if the terrorists hold on to their weapons, and called the statement a renunciation of the agreement.

He said: "It's long past time for the IRA to stop this prevaricating. They must genuinely seek peace, or they must be left behind and denied the benefits of this deal."

Mo Mowlam, the Northern Ireland Secretary, said: "If these arrangements are going to work, then everyone involved will have to give up violence for good, and decommissioning is an essential part of the package." But she said there were positive aspects in the IRA's response.

Although the IRA said the agreement was incapable of delivering a lasting settlement, it described it as a "significant development". It praised Sinn Féin's leaders and wished them success in the next phase of their peace strategy.

That appeared to pave the way for Sinn Féin to endorse the deal at a special *ard fheis* (conference) in Dublin on May 10. Its leaders want the vast majority of delegates to back their recommendation that Sinn Féin should take up its places in the assembly, a controversial step since it implies recognising partition.

Gerry Adams, the Sinn Féin president, welcomed the IRA statement. He said: "We want to see total decommissioning right across the board. We will continue to press for that in a proactive way."

It would be wrong to focus solely on IRA weapons, he said. "What did people expect the IRA to say? Let us not make decommissioning a block to preventing progress."

Willie Ross, one of the six Ulster Unionist MPs against the agreement, said: "It would now be very, very foolish to go down the road of accepting this deal in the light of what has been said."

Another, Jeffrey Donaldson, whose Lagan Valley constituency includes Lisburn, said: "It is clear the IRA intends to pocket the concessions it has got while it retains the capacity to return to violence."

Marr set to quit again in new Independent turmoil

Kamal Ahmed Media Correspondent

THE ROCKY history of the Independent took another twist last night as Andrew Marr looked set to quit over a row about appointing a new editor.

Coming just a week after the resignation of Rosie Boycott as editor, the change would mean the paper suffering its fourth change in leadership in four months.

The argument is over the appointment of Simon Kelner, editor of the Mail On Sunday's Night and Day Magazine, who has refused to work with Mr Marr in his present position as editor-in-chief.

Jan Birrell, executive editor of the Daily Mail, who has been offered the number two role at the Independent, has also said he cannot work with Mr Marr.

Sources said that Mr Marr has refused to change his job description to comment editor and has said he will quit rather than face demotion.

Mr Kelner was offered the editor's job by the management of Independent News-



Andrew Marr: rejoined the Independent in March

Ms Boycott is now the editor of the Express and has poached a number of the Independent's staff to help her change the tabloid into a left-leaning upmarket daily.

Amanda Platell, former managing editor of the Mirror, is expected to join Ms Boycott's team and take over editing the Express On Sunday.

Colleagues said that Ms Boycott found it difficult to work with Mr Marr. The two were supposed to edit the newspaper in tandem but clashed over the direction of the newspaper and over hiring and firing staff.

The deal had been stitched together in March after Mr Marr was persuaded to return to the newspaper he had resigned from in January.

Mr Marr's abrupt departure, expected to be announced today, came as a shock to staff. On Saturday he wrote an open letter to Independent readers saying that he would take the newspaper more upmarket.

"I'm going to remain as editor-in-chief, directing editorial policy and taking an overview of the paper as well as writing," he wrote.

Straw orders inquiry into Mary Bell book

continued from page 1

author, Citta Sereny, its publisher Macmillan, and the tabloid papers which have relentlessly pursued her.

Last night, the Official Solicitor was examining ways of strengthening the 1984 injunction which prevents Bell's teenage daughter from being identified. He is also considering contempt of court action against several tabloid newspapers, it is understood.

Alan Levy QC, a specialist in child law, yesterday said there was a prima facie case that interviews with, and photographs of, Mary Bell's partner had broken the injunction. One possibility is that lawyers will now seek a fresh clause preventing newspapers from approaching the family.

The Press Complaints Commission yesterday said it was investigating complaints about the Times's serialisation of Cries Unheard. The Times paid around £35,000 to Macmillan, it emerged yesterday. It was not clear last night whether any of the money was passed on, directly or indirectly, to Bell, breaching the commission's code.



Speaking on the Today programme, PCC director Lord Wakeham said he could only take action over the harassment of Mary Bell if she or her family complained. "Her bounding by the tabloids is not excusable," one PCC source made clear.

late the injunction, if there has been a violation," he said. Bell, who was released on licence in 1980, having served 12 years in prison, is still being supervised by the probation service. "Until last weekend Mary Bell was a striking example of how a seriously disturbed child who killed two young boys could be successfully rehabilitated and lead a decent law-abiding life," Paul Cavadino, of the National Association for the Care and Resettlement of Offenders said. "In the course of a few days, pitiless bounding by the media has wrecked her home life and turned her and her daughter into fugitives from harassment."

The investigation will be carried out by the Home Office's new permanent secretary, David Omand.

A spokesman for the Association of Chief Officers of Probation last night said all details of Mary Bell's involvement in the book had been passed to the Home Office by her Durham probation officer. "It is not up to the probation service to go round knocking on ministerial doors," he added.

Golden notebook



There must be sufficient money for champagne to cheer up those whose work is rejected, and postage stamps to return unwanted manuscripts.

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Christopher Reed Los Angeles... The only next night loved on a fire, twice, about pain and grief.

It sounds like Sudan 1998 children crisis in... Jonathan Steele

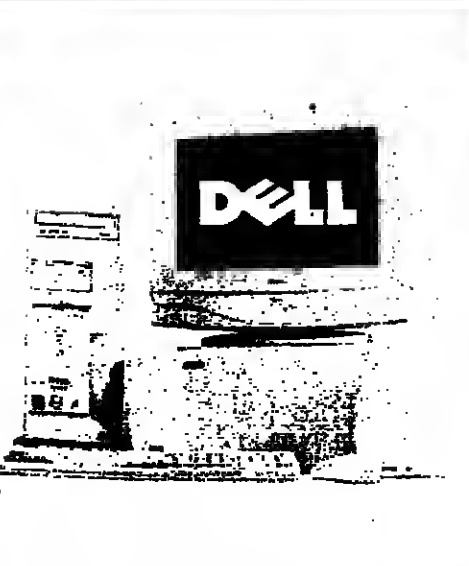
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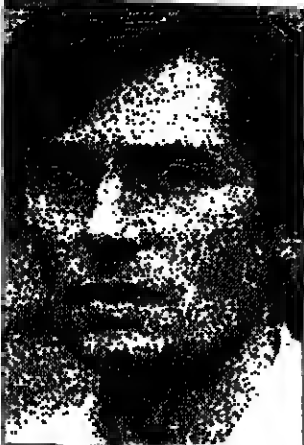
سكا من الامال

Golden notebook



'There must be sufficient money for champagne to cheer up friends whose work is rejected, and for postage stamps to return unwanted manuscripts'

Hilary Mantel, author



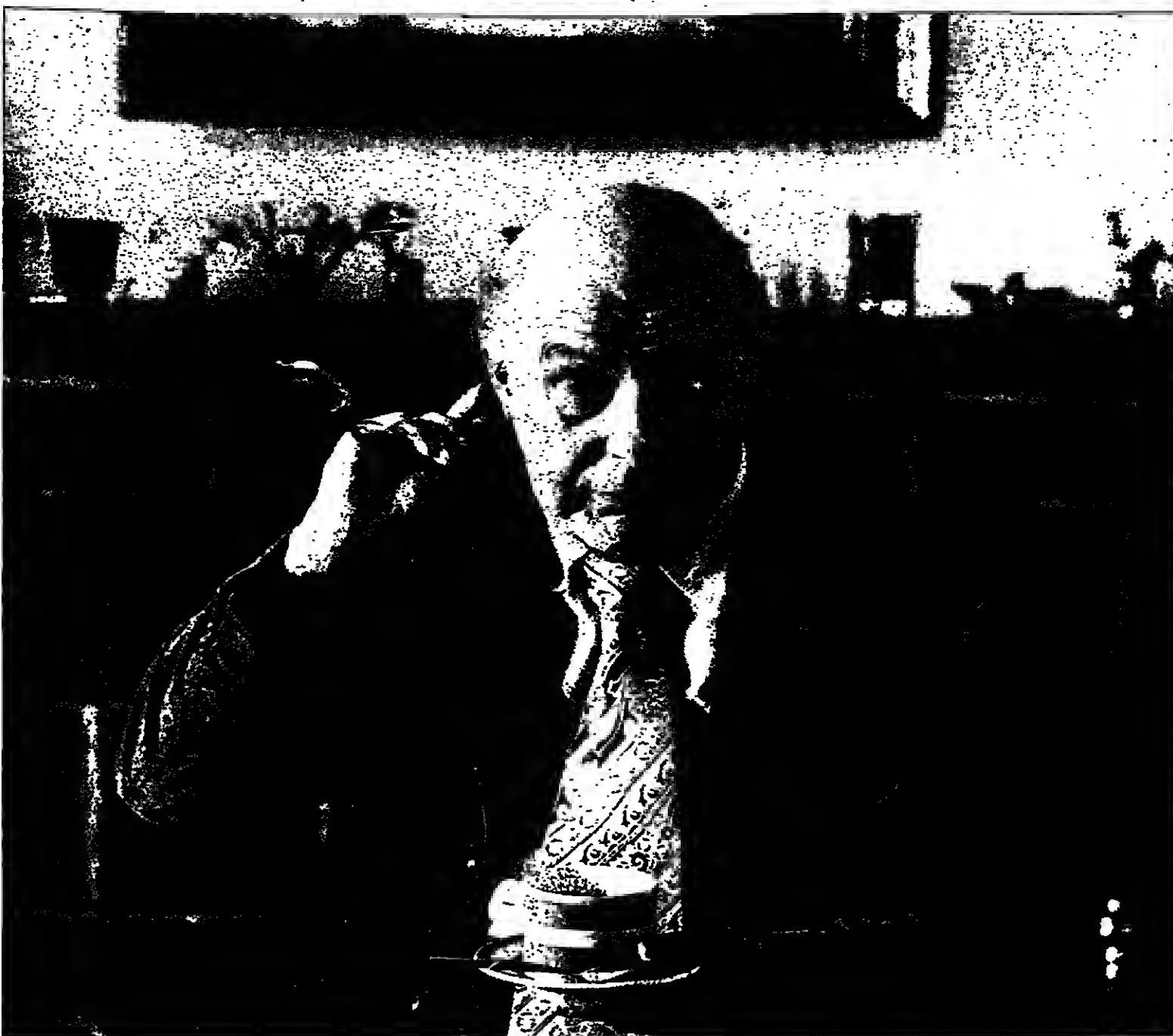
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Hugo Williams, poet



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Fay Weldon, author



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John Betjeman

How to make a pretty penny from prose

Dan Glaister on an updated writers' guide to the creative art of survival and success

THE image of the penniless writer struggling in a garret is a powerful and seductive one. But is it true? And is poverty a necessary spur to creativity?

Fifty-two years ago writer Cyril Connolly attempted to answer these questions by asking his contemporaries. Now the exercise has been repeated, with a selection of today's leading writers asked the same six questions. Their answers are revealed in *The Cost Of Letters*, published today.

The questions set by Connolly covered levels of income, the importance of subsidy, and ways of escaping the literary poverty trap.

The nearest two generations of writers come to a consensus in answer to Connolly's first question, "How much does a writer need to live on?" Nearly all agree that the answer should be, according to Julian Barnes, "The same as everyone else; that's to say, anything from a monkish £5,000 p.a. to a well-heeled professional's £100,000."

But there are qualifications. In 1946 these included money for, as Dylan Thomas put it, "luxurious necessities". "I want a lot, but whether I need what I want is another question," he wrote. Today's writers echo his anxiety. "It depends on temperament, social expectation, drug use, number of children and so on," writes Barnes.

A.L. Kennedy points out the necessary, non-deductible expenses connected with the work, which might include "eye-catching frocks, designer jackets, cocaine and alcohol". But it is left to Hilary Mantel to make the case for excess: "In the ideal world, all published writers would be as rich as Croesus. They could then indulge in dissipation

and eccentricity on a scale the public has a right to expect."

Asked whether a "serious writer" could earn a living wage by writing, and if so, how, Connolly, and today's questioners met a more varied response. "I am not sure I know any serious writers. I do not like to think how they earn their living," writes Mantel.

While writers from both ages suggest writing more commercially, or walking far Hollywood to knock on the door, Melvyn Bragg gives the simple answer to the question "How do they do it?": "The public wants to buy their books in sufficient quantities."

But should literary endeavour fail to provide a

writer with sufficient income, what, asked Connolly, would be a suitable second occupation? Connolly's own answer was succinct: "A rich wife," he wrote.

Of today's authors, Jenny Diski cites lighthouse keeper as her preferred option, with a secondary line in "monk/dun, gate keeper, game keeper, poacher, kept woman/man, lollipop person. Otherwise it looks as if comedian, movie star and supermodel are the best career bets at present."

But does the art suffer when a writer focuses on other activities, asked Connolly? Opinions were divided, with some arguing for the need to have contact with society in order to inform the art. But Michael Holroyd argued that "we have a perfectly good grasp of the world". The only profession encouraged to seek concurrent employment, he wrote, was MPs. "They do this, they tell us, not for the money but to gain information."

Finally, Connolly asked,

are you satisfied with your solution to the problem, and what advice do you have for young writers? Few were content with their solution, although many acknowledged their good fortune.

"Every morning as I sit down at my desk I can't quite believe how lucky I am not to have to go to an office and be told to do something dull by a man in a suit," wrote Dalrymple.

As for advice to young writers, Michael Holroyd was brutally honest. "Why should I help what may be a talented

rival into an already overcrowded market place?"

In response to the same question, Will Self raised the notion of the Bergson Grant: "Henri Bergson — you will recall — offered the eminently sensible solution to this apparent 'problem': young writers should be offered bursaries on the strict understanding that they undertook not to write anything at all."

Some things have improved for writers. The respondents were each given a £200 book token.

Net murder confession puts e-mailer and system on trial

Christopher Reed in Los Angeles

THE e-mails were horrific but quite specific. Larry Froestad said he got "wickedly drunk, set our house on fire, went to bed, listened to her scream twice" and then "put on a show of shock, surprise and grief".

But even though he mentioned the murder by arson of his five-year-old daughter Amanda three times, and gave a long detailed account, only three of his 200 fellow "problem drinkers" in an Internet online support group told the authorities.

Today Froestad is due to plead not guilty to murder in the small town of Bowman, North Dakota, where his daughter died in 1995.

Although he eventually told Bowman police about the fire, the online messages, printed in the New York Times and believed to be the Internet's first murder confession, are causing alarm about the enclosed, unwelcome nature of such electronic groups.

Most members of the group, Moderation Management (MM), regarded the "confession" as merely a fantasy for more therapy, a fantasy from the past, or something he should have kept to himself. One wrote: "It would be OK if you would just go away. This is just repulsive stuff and I can't deal with you."

Froestad, aged 29, a computer programmer, was living

The conflict was tearing me apart, and the next night I let her watch the videos she loved all evening, and when she was asleep I got wickedly drunk, set our house on fire, went to bed, listened to her scream twice, climbed out the window and set about putting on a show of shock, surprise and grief to remove culpability from myself

Larry Froestad, in a confession on the Internet that he had killed his five-year-old daughter

In San Diego, California, last March when his supposed confession came out. At first he wrote about his tortured divorce and bitter custody dispute. Then he added, almost in passing: "Amanda I murdered because her mother stood between us."

A fellow e-mailer replied: "Okay Larry, what do you mean, you murdered your daughter? Is this emotional hyperbole or cold fact? And are you getting professional help?"

"Larry" explained that the conflict with his departed wife was "tearing me apart". He said that after letting Amanda watch her favourite videos he got drunk, set fire to the house, and climbed out of the window, assuming a state of shock.

"Damn it, part of that show was climbing in her window and grabbing her pyjamas, then hearing her breathe and

dropping here where she was so she could die and rid me of her mother's interferences."

"Those last two screams that I tell everyone saved my life — they are wounds on my soul that I can't heal and that I'm sure I'm meant to carry with me. I am damaged goods . . . the simple fact is that I don't deserve [a new married life] and I'm meant to suffer a thousand times longer than my little girl did. I cried like a baby in the emergency room."

One woman, writing as "a paediatrician and a mother", replied that she was "a little confused" about "what role alcohol played in this . . . What you described doesn't sound rational . . . But I think you do need something very specific for what has happened — and I don't think this group is enough. What a very painful thing, in many many ways."

Dr Frederick Rogers, a psy-

chologist who helped found MM, warned the group that they had two responsibilities: to themselves and to the "larger community beyond".

He added: "I believe it is an essential feature of the Internet, and one that we must protect if it is to continue to be a source of great support for people in need."

He said he had not informed the police, having heard that someone else had.

One man did contact the authorities. Jim Shirk, aged 39, told another member via e-mail and asked not to be named. But the member posted his message to the entire group and e-mailed Mr Shirk, saying: "Just how big a pervert are you? I bet you really got off talking to the FBI. Wow. Did you ask them if you could see their guns?"

A "flame out" — cyberslang for a heated debate — ensued. Elisa DeCarlo in New York, outraged by members assuring "Larry" that it had all been a fantasy, contacted the Bowman police. But the police chief, Don Huso, did not issue an arrest warrant until Froestad telephoned five days later and said: "Don, I set the fire."

Froestad's lawyer said his client might have been taking anti-depressant pills at the time of his "confession" and that he would probably dispute the e-mail messages. "There is no evidence that Mr Froestad killed his daughter."

Meanwhile MM has stopped recording its conversations.

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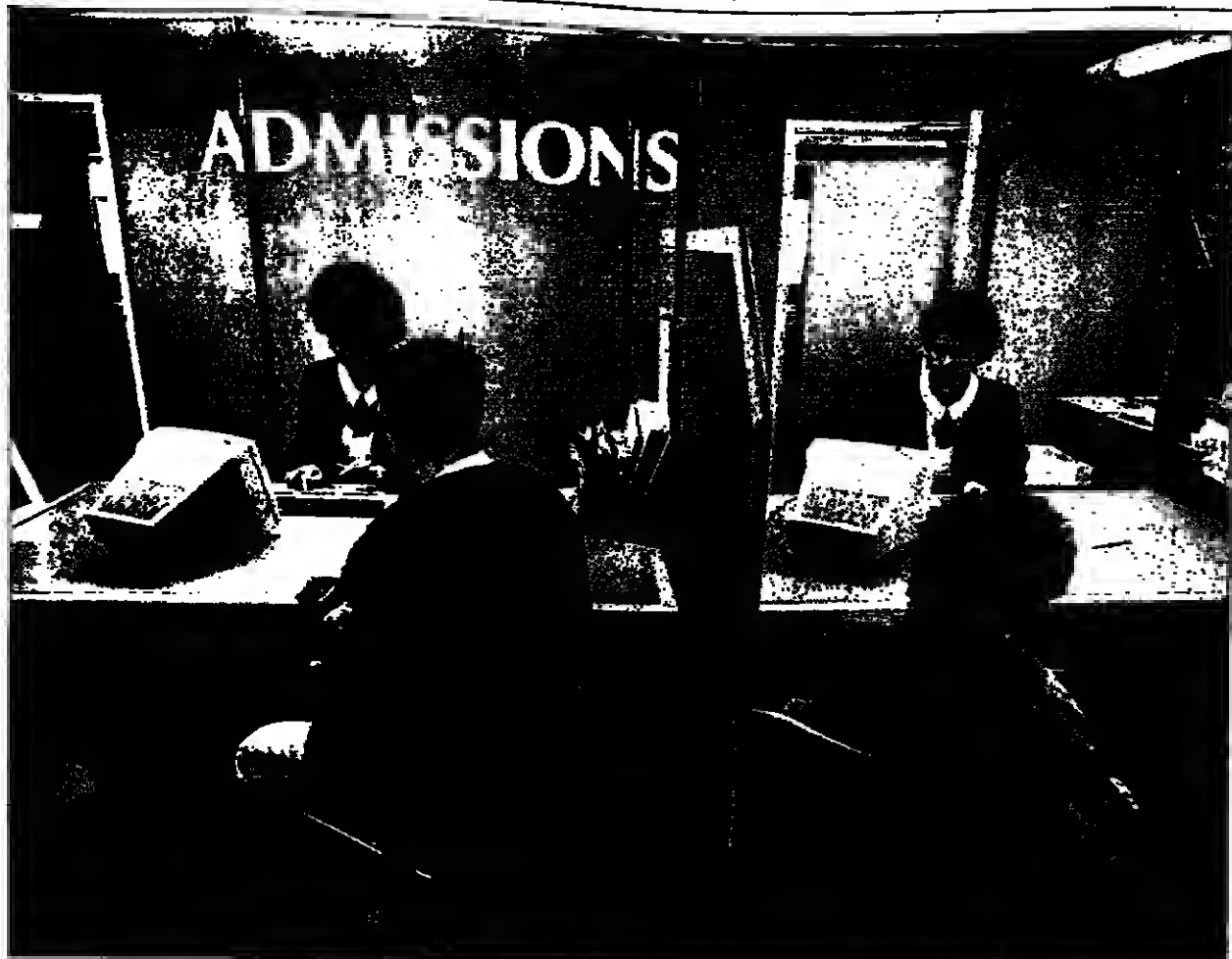
www.bt.com

Excludes 0300 numbers per month for the first three months on option 102. Connections by 31/07/98. 12 month term applies.

It sounds like Nicaragua or Angola circa 1984. In fact it's Sudan 1998. As British television screens show emaciated children and warn of imminent famine, it is as well to put the crisis in context.

Jonathan Steele

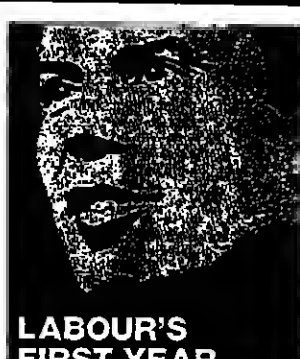
Comment, page 12



Testing times... the Government's proposed reforms of NHS waiting lists and school class sizes are crucial and could determine by next spring the public's judgment of the Labour administration. HOSPITAL ADMISSIONS PHOTOGRAPH: CHRIS THOMSON

Delivery date looms for Blair's promises

MICHAEL WHITE continues the series on Labour's first year with an assessment of what Tony Blair calls the "post-euphoria, pre-delivery" stage of the political cycle



LABOUR'S FIRST YEAR

There are days when Tony Blair gives the modest impression that he knows it cannot last, that his government cannot hope to sustain the dazzling pace of its first year in office once the inevitable compromises, disappointments and downright defeats start rolling in.

On other days the Prime Minister behaves as if he has finally cracked the elusive walking-on-water trick, days when the Tory opposition is even more pathetic than usual, when the Lib Dems sound docile and another rival — Chris Patten, say — is on board.

In one of those soundbites crafted by the young, media-conscious team in Downing Street, Blair set his own benchmark when he warned colleagues a few weeks ago that the Government was entering the "post-euphoria, pre-delivery" stage of the political cycle.

Delivery is certainly what the voters will be expecting this time next year. At the last count, ministers had 150

reviews on the go, from animal waste (due this summer) and the fate of Prestwick Airport (due by October) to the future of salmon fishing (occurring in 2000).

Twelve months hence Blair's team must have caught much bigger fish and fried them. If Labour's five "early pledges" are to be fulfilled, NHS waiting lists and class sizes must be seen to be falling, and tearaway kids — the socially excluded and the "loaded generation" — must be seen to embrace the new communitarian values.

At all costs the economy must be kept buoyant so that welfare-to-work has real potential. It is already showing signs of the inevitable downturn, aided by the souring pound. Ever more skilful economic management by the Chancellor, Gordon Brown, will be needed in 1998/99 to ensure a "soft landing" — with no sharp rise in unemployment in inflation.

Many loyal Labour MPs, and some ministers, believe it is a tall order. President Bill Clinton once campaigned on

the private self-refinder "it's the economy, stupid". New Labour has been more ambitious than that. It will have to manoeuvre through the dangerous political and economic rapids of the EU single currency, through the German elections and the Asian recession. And, the euro starts properly on January 1.

But it is also committed to the Comprehensive Spending Review, the chosen instrument for switching resources within tight Brown-controlled Whitehall spending limits. Due in June, the timetable is slipping. Revised trade union recognition rights have also proved thorny. TUC patience is fraying over Downing Street's search for a compromise with the CBI.

Blair has made welfare reform his equivalent of Margaret Thatcher's fight with the unions in the early 1980s, and gone off to an equally shaky start. Pensioners, lone parents, child support — ministers have set themselves a huge agenda of reform.

As budget surpluses pile up there will be backbench and TUC pressure to spend more on good causes. The markets will want ministers to resist it. Blair will be busy enough. He is pledged to see through the Northern Ireland peace process with new, devolved institutions, parallel to those in Scotland and Wales, the linchpin of a constitutional reform package not seen in Britain since 1832 and possibly 1888.

In 1999, there will be the first proportional representation elections across Britain: for the mayor of London, the European Parliament (a key test for William Hague) and the assemblies in Cardiff and Edinburgh, where the SNP is

pressing Labour. Most explosive of all, Lord Jenkins's commission is to report in October on an alternative to first-past-the-post voting for Westminster elections, on which another referendum is promised. Devolution, the Human Rights Bill (which will enhance judges' powers), electoral reform, EU integration

— neither ministers nor voters, have yet grasped the scale of the change.

Reform of the Lords, via either the Big Bang version of a semi-elected upper house, or the Mini Bang of abolition of the hereditary peers' voting rights, will test the reformist commitment. Blair's first year was

marked by opposition jibes that he is all style and no substance, not so much a Thatcher Mark II as an indecisive showman whose inclusive "Big Tent" politics mark a basic lack of core beliefs. So far, the Government has managed to face both ways on key issues, Europe, taxation, social inclusion and union

rights, and crime and education, keeping Middle England happy without alienating most core voters. That act will get harder, even without the inevitable setbacks for "re-branded Britain" well beyond ministerial control — like the result of World Cup. If you take the credit, you also catch the blame.

Party's rising stars

Jim Murphy, Eastwood
A bright young Blairite, Murphy showed off his Cool Britannia credentials when he was the only Labour MP able to name all five members of the Spice Girls, Labour's youngest Scottish MP. Murphy has good connections: guests at his wedding in January included Donald Dewar and chief whip Nick Brown.

Onna King, Bethnal Green and Bow
One of Labour's brightest young things, Onna King proved her mettle when she defended some of Labour's more controversial policies on BBC's Question Time. King was on the late Labour leader John Smith's election campaign team and has worked as an assistant to the European Parliament.

Bub Marshall-Andrews, Medway
One of the few dissenting voices. He proved that he does not mind upsetting either Peter Mandelson or Lord Irvine with his attacks on the Millennium Dome, and on plans to cut legal aid.

Patricia Hewitt, Leicester West
A former senior adviser to Neil Kinnock, she advises the Prime Minister in a number of areas. Chastising rebel Labour MPs during the debate on benefits for lone parents, she has done her promotion chances no harm.

Ruth Kelly, Bolton
An ex-journalist and former economist at the Bank of England, Ruth Kelly swept into the House of Commons a year ago. She made her mark as a member of the Treasury select committee, where she famously tied Gordon Brown in knots over his deficit forecast.



And how was it for you?



DARCUS HOWE, writer and broadcaster: "I cannot in a year say what I think about a government. They are now busily finding out where each ministerial space is, and where authority lies. That is an essential process of a party that has been out of government for a considerable time. The one clear thing is that Mr Blair is presidential as opposed to being a prime minister — that is not a criticism, it is an observation. Second, anybody who can put Northern Ireland together within a year must have political skill and determination."



SIR TIM BELL, former Thatcher aide: "Public relations-wise I think they have been very impressive. They have had their share of unfortunate stories but you cannot conceal the truth. They have remained popular and you can't ask more than that."



BARBARA CASTLE, veteran Labour politician: "I would be better able to judge when I see the pensions green paper in June. That will show what sort of future they see for the welfare state. There have been some pluses and some very big question marks raised in the last year over what kind of a Labour Party they want to build."



PETER MELCHETT, executive director of Greenpeace UK: "While there have been some mistakes there have been a lot of positive signs of action from John Prescott and Michael Meacher. But at the heart of government, where Blair said he would put the environment, there is a yawning gap of total indifference. Look at the one huge government scheme closest to Tony Blair's heart — the dome, where environmental considerations relating first to poisonous PVC and then global warming HFCs, have been totally ignored."



DAVID GOLDBERG, senior rabbi of the Liberal Jewish Synagogue: "I must confess I have difficulty in assessing where Tony Blair ends and Rory Bremner begins, and do wish that Cherie would stop flashing that American president's wife adoring smile. Also I have reached the age where I see through most politics irrespective of party labels and judge them as individuals. There are some members of the Government who are decent, capable people, and others whom I would not invite to dinner."

The Guardian Friday May 1 1998
Children in orphanage
Priest j



Raid grabs

Police crack down on trouble-makers at Work

Police have cracked down on trouble-makers at Work. The raid was part of a series of operations aimed at reducing crime and disorder in the area. The police have seized a large number of weapons and other items. The raid was carried out by a team of officers from the local police force. The area is known for its high level of crime and disorder. The police have been working hard to bring the area back under control. The raid was a success and the police are confident that the area will be safer in the future.

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Despite public ignorance, businesses are quietly gearing up to the single currency, whatever Britain decides

Sterling efforts to welcome the euro

While politicians wrangle over the details, retailers and organisations are already tackling the logistics of adapting slot machines and tills

James Melville

"SORRY, I haven't a clue" "Oh, God" "I don't know" "I'm in a hurry"

No one questioned in Oxford Street, London, yesterday could put the sterling value — 66p — to the single currency exercising EU ministers and threatening bigger heartbreak for the pound's defenders than decimalisation a generation ago.

Their guesses — 50p, £1.50, £3.20 and, most spectacularly, £250 from a man in a currency exchange booth — indicated the need for more public education before any referendum on joining.

But high street companies are preparing for change, because from next January other European countries will be using the euro to settle accounts and transfer money electronically. Coinage and notes will not be in circulation until 2002.

Whether or not Britain joins monetary union, tourists could be bringing in a rival to other currencies already accepted by some shops. Although, if Britain stays out, other retailers believe they will hardly notice the difference as many foreign visitors pay by international credit card.

British tourists returning from the Continent with euros may not need to head for the bureau de change for conversion to sterling. Marks & Spencer, with several stores on the Continent, will soon have tills that can handle the currency. "The facility will not be activated in every store," a spokeswoman said. "There may not be the demand in Grimsby as there may be in Marble Arch."

The Federation of Small Businesses warned of difficulties for members. "It is a question of handling two sets of money, having cash tills and training staff," said a spokesman. "You will have large companies putting pressure on small companies to invoice in euros. We have been advising members to prepare. People will be spending in euros soon whether or not Britain is in or out."

However, off the high street, while ICI will be encouraging its suppliers to deal in euros and is expecting many of its customers to want to pay in them, it said there would be no compulsion on small companies.

British Steel said: "Thirty per cent. of our turnover comes from mainland Europe so we already get paid in foreign currency. We have put systems in place to take in euros and pay out in euros if this suits any particular supplier. Our price list will remain in sterling."



Ring the changes: Tills at Marks & Spencer, which has several stores on the Continent, will soon be set up for the euro

Some taxi drivers are already offered payment in foreign currencies and have deals with banks and bureaux to change them. "Most would prefer to be paid in sterling," said Dennis Conyon, chairman of the National Federation of Taxi-Cab Associations. "The meter works in pounds."

By law you can only charge the meter rate, and you have to work out then what it is in another currency and err on the side of caution to make sure you don't lose."

London Underground has just finished a £60,000 programme adapting slot machines for the new 50p and £2

coins and is about to consider the headache of dealing with both euros and sterling. One possibility may be apparently charging higher fares in euros but delivering change in sterling. That may be too difficult.

The euro is not yet the main topic of conversation in

the pub trade, confessed Mike Ripley, spokesman for the Brewers and Licensed Retailers Association. "Customers will be complaining about euros whether they are using them or not. Within minutes they will have worked out how many you need to buy a round."

The money in their pockets

What is the euro?

The name given to the currency which will come into existence on January 1, 1999, and into circulation from the beginning of 2002 in those countries in the European Union signing up for monetary union this weekend.

Who wants it? The governments of at least 11 of the EU's 15 member states. Whether their citizens agree is another matter. Big business tends to be keen, small business less so. The UK, Denmark and Sweden are wary and are staying outside. Greece would like to sign up, but it failed to make the qualifying standard.

What will it look like?

Pretty colourful. The seven notes (five to 500 euros) are bright with lots of stars to underline the euro's European credentials and lots of architecture — Romanesque bridges, Renaissance arches, kind of thing.

The eight coins are plain and brassy looking, though the one and two euro coins are bi-metallic: the one euro looks like a gold-coloured polo with a silver circle in the middle.

Will the Queen's head be on it? Almost everyone has agreed a common design on the bank notes, but the Bank of England has requested that room be left for a "national symbol" on any notes printed in the UK. Coins will have a "national side", so the Queen may yet feature.

What will it be worth? One ecu (European currency unit), which is currently worth about 66p. After that its value against the pound will vary according to the whims of the world's foreign exchange markets.

Will prices go up? For those countries outside the euro-area there is no reason why they should. Even for those inside it is hard to see why prices might increase, but those who remember decimalisation in Britain might take a different view.

When will other countries have it? From January 1, 1999, though notes and coins won't arrive for another three years.

Will that help when we go on holiday? Within the euro-area you will only need one currency. Just as handy, those annoying bits of cash you always have left but which aren't worth changing back to pounds can be stuffed in a jar and used again next year — even if you are going to a different country within the single currency bloc.

rency and a single interest rate structure appropriate. The right interest rate for the German economy, for example, might not be the right one for Ireland.

Do we have to have it? No. The Government has laid down its own tests for deciding whether the single currency is right for Britain. If those are met, if Labour wins the next election, if the Cabinet decides membership is a good idea and Parliament agrees, the issue will be put to a referendum so we can still say "no". If the Conservatives win the next election the prospect of Britain joining recedes even further.

Will it fit in slot machines? As the value of the largest denomination coin is two euro — £1.32 — the euro is unlikely to be all things to all slot machines.

Will we be able to spend it in the shops here — along with the pound? Some shops already take foreign currency and will presumably take the euro, but they will tend to be limited to tourist areas.

What happens to the pound in our pocket? If we sign up for the single currency the pound will be phased out.

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Drug dealer killed with arsenic in Indian sweet

'Victim of abuse' has her murder conviction upheld

Amelia Gentleman

THE Court of Appeal yesterday dismissed an appeal by Zoora Shah against her conviction for the murder of a man whom she alleged subjected her to years of abuse.

There were screams, and cries of "no" from her children in the public gallery as the decision was announced.

Shah, a mother of three from Bradford whose husband abandoned her before the birth of their third child, pleaded not guilty to murder at Leeds crown court in 1992.

But at her appeal she admitted twice poisoning Mohammed Azam, aged 47, with arsenic, saying she was so depressed she was not responsible for her actions.

Her counsel, Edward Fitzgerald QC, told Lord Justice Kennedy, sitting with Mr Justice Butterfield and Mr Justice Richards, that Shah's conviction was unsafe due to her diminished responsibility; Shah, an illiterate from rural Pakistan who came to Britain for an arranged marriage in the 1970s, had not told the full story of her treatment by Azam, a drug dealer, because she did not want to bring shame on her family.

But Lord Justice Kennedy said he found Shah's evidence not capable of belief. "By her own admission she has lied repeatedly in the past, and we are far from satisfied that she has ceased to do so."

During the appeal, Shah, in her mid-40s, told how she had agreed to have sex with Azam, in return for his finding her a home after her husband left. In 1982 he asked her to bring drugs from Pakistan, which she did.



Zoora Shah (left) resolved to act when Azam took a sexual interest in her teenage daughters. She acquired arsenic, in green powder form, and laced a samosa

when she visited her family, she alleged. When she came back empty-handed he was violently abusive. Azam was jailed for drugs offences in 1984, but after his release the abuse continued. At one stage she tried to hire a hitman.

She resolved to act herself when Azam took a sexual interest in her two teenage daughters. Shah acquired arsenic, in green powder form, in Pakistan and laced a samosa — aiming to diminish his sex drive, she said. He was ill for a month. Later she

spiked a gargle — an Indian sweet — with a teaspoon of poison, knowing it could be fatal, and fed him it at a family gathering. He died the next day.

The judges ruled that much of her evidence rested on the claim she was abused for years, yet no one seemed to have noticed a single suspicious bruise — other than one black eye. Although "plainly at times anxious, undernourished and depressed", she was a strong-willed woman who "conspired to commit forgery, hired a hit man and when double-crossed made allegations of rape and theft which she now admits to be false," the judgment said. Permission to appeal to the Lords was refused.

Shah's eldest daughter, Naseem, aged 24, said outside court: "She was just a mother who was looking out for her kids and doing as best she could. We're devastated."

A spokeswoman for the Southall Black Sisters, a west London pressure group, said: "Male prejudice and lack of compassion for women who suffer domestic violence is alive and well within the legal profession."



Naseem Shah, aged 24 (right), and Fozia, aged 17, leave court after their mother's appeal was refused. PHOTOGRAPH: BEN CURTIS

UK identifies seized wartime bank accounts

Richard Norton-Taylor

THE Government yesterday published on the Internet the names of 25,000 owners of bank accounts seized during the war, in a move paying the way toward the repayment of millions of pounds worth of assets to victims of Nazi persecution.

The assets were confiscated under "trading with the enemy" regulations which made no distinction between Germans, citizens of Nazi puppet regimes or

Nazi-occupied countries, and Jews. Up to 10 per cent of the names, which include companies as well as individuals, are believed to be Jews and other victims of the Nazis, living at the time in Germany, Bulgaria, Hungary and Romania.

The names also include Japanese residents with assets invested in Britain. The move, announced by Margaret Beckett, Trade Secretary, has important implications for the Government's claim that the 1951 peace treaty with Japan cannot be reopened and that

Japanese POW survivors cannot be compensated.

The Government agreed to repay the assets of Nazi victims despite post-war peace treaties with central and eastern European countries which officially settled the issue of compensation.

In the event, Jews and other minority groups were ignored by the post-war communist regimes there.

Mrs Beckett last month agreed to set up a claims procedure and an initial £2 million fund for Nazi victims whose assets were seized in Britain, after pressure from

the World Jewish Congress and the London-based Holocaust Educational Trust.

She also apologised for the "insensitive" attitude shown by British officials after the war and their unsympathetic approach towards Nazi victims in Britain.

She said yesterday that the procedure "will be based on the principle that confiscated assets placed in the United Kingdom by victims of Nazi persecution should be returned to them by the United Kingdom where practicable and where claims can be validated".

She is to appoint an "independent third party" to oversee repayment of assets.

A further 5,000 names of wartime residents of other countries, including former Yugoslavia, former Czechoslovakia, former Poland, will be published later.

Lord Janner, chairman of the Holocaust Educational Trust, said yesterday that at least some survivors and their families should now get their assets back.

"It could be on no better day than the 50th anniversary of Israel's independence", he said.

A World Jewish Congress spokesman said:

"This action by Britain is a shining example of honour and decency which should serve as a model for other countries" — a pointed reference to problems the group is facing in persuading Switzerland to reveal the names on dormant Holocaust-era accounts.

The list of names published yesterday are available on the following Internet site: www.enemyproperty.gov.uk and the trust has set up a day-time helpline number: 0171 222 5115.

education

Every Tuesday in the

The Guardian

Turk couple deported for unruly son

Ian Traynor in Bonn

LESS than a week after an extreme racist party captured the biggest vote in an election in post-war Germany, the Bavarian authorities have ordered the deportation of a Turkish married couple who have lived in Germany for 30 years, because of the criminal record of their son, aged 13.

In the first known instance of its kind, Munich authorities gave the couple until July 21 to leave Germany with their son or face forcible deportation. The Bavarian government last week proposed new anti-foreigner measures, calling for the compulsory repatriation of immigrants whose children are found guilty of offences.

Since Sunday, when the Munich-based German People's Union (DPU) netted almost

13 per cent of the vote in the eastern state of Saxony-Anhalt on a racist, anti-foreigner platform, Bavaria's ruling Christian Social Union has been calling for a tougher campaign on law and order and immigration. The CSU hopes to undercut the appeal of the extreme right.

"The DPU's election results are already showing their fatal effect," said Siegfried Benker of the Bavarian Greens. "The CSU is firmly decided to make a show as the party of deportations, exclusion and social polarisation."

The Munich Turkish family has not been named. The father, a 30-year-old, is said to be a "massive risk to public security and order", was born in Germany. The couple's other children, two adult sons, have not been ordered to leave.

Around 30 illegal immigrants have been on hunger strike since early this week at

Clashes feared as German neo-Nazis go on march

THOUSANDS of neo-Nazis are expected to converge on Leipzig today for May Day protests about more than 5 million unemployed, and to demand that immigrants be expelled to create jobs for Germans, writes Ian Traynor in Bonn.

The May Day demonstration got the go-ahead yesterday when the administrative court in the state of Saxony overruled a ban by the Leipzig authorities, who feared violence between the extreme right and hard left.

Leftwing radicals who ritually clash with police each May Day have also vowed to head for Leipzig for a show-

down with the neo-Nazis, who have been banned by the extreme right's strong election performance in the neighbouring state of Saxony-Anhalt.

Leipzig council initially banned the marches, saying it did not have the police manpower to patrol the city and prevent clashes.

There is no known precedent for such a deportation, however, and legal experts said the law governing the rights of immigrants would need to be changed to allow it to be carried out. The Turkish couple are also likely to appeal, at the very least delaying the expulsions.

CSU officials said yesterday that they would keep their tough line on immigrants to shore up their vote in state and

general elections in September. They urged their sister party, Chancellor Helmut Kohl's Christian Democrats, to do likewise. Manfred Kanther, the hardline interior minister, said his stance on immigration and law and order was tough enough already.

In Saxony-Anhalt, the DPU conducted a lightning poster campaign declaring "Foreigners Out" and "German Money for Germans' Jobs".

Karl Lamers, a foreign policy adviser to Mr Kohl and his parliamentary spokesman on foreign affairs, said: "We can't ignore the fact that in certain types of crime, the foreigners' share is markedly high, although it's differentiated and not the foreigners who are settled here."

Most of Germany's more than 7 million immigrants are ranked as second-class citizens and are denied the right to vote unless they gain German citizenship - a difficult process for most. Parliament recently threw out proposals making citizenship easier for foreigners to obtain. Citizenship, based on an imperial edict from 1913, is founded on blood and ethnicity.

The opposition Social Democrats, tipped to emerge as the strongest party in September's general election, have pledged to change the passport laws if they lead the next government. But there are no

votes in courting the immigrant constituency, and perhaps votes to be lost by being thought to be too friendly towards foreigners.

The SPD's response is to stress that illegal employment has to be combated. Franz Muntefering, the SPD election campaign manager, said clamping down on the black market in jobs would stem Germans' resentment at foreigners working for cheaper rates on the building sites of eastern Germany.

But it is hard to find these conditions in Saxony-Anhalt. Less than 3 per cent of the state's population are immigrants; unemployment stands at 25 per cent, yet 13 per cent voted for the racist right.

The SPD appears fearful of touching the foreigners' issue in the election campaign. "If we make the foreigners issue a main campaign topic, what do you think would happen?" asked Mr Muntefering.

'If we make the foreigners' issue a main campaign topic, what do you think would happen?'

Franz Muntefering, election campaign manager of the Social Democrats

De Gaulle 'would have liked 1968 rioters shot'

Paul Webster in Paris

CHARLES de Gaulle's image of disinterested grandeur and aloofness has been revealed in a new book, the publication of an insider's diaries revealing a blood-thirsty, petty politician who wanted some of the May 1968 student protesters shot dead and dismissed African leaders as "very boring".

The 750 pages might have been dismissed as vengeful sensationalism had they not been written by Jacques Foccart, the official at the centre of Gaullist secret strategy in France and Africa.

Foccart, a former resistance colonel who had to report to the president daily, decided to publish his notes just before he died last year. *Le Général en mai*, published this week, covers 1968 and 1969, De Gaulle's last two years as president.

A sequence of verbatim accounts of previously unpublished presidential decisions confirms De Gaulle's hesitancy and irresolution during the student rebellion, whose 30th anniversary is now being commemorated. This was first disclosed in the posthumously published memoirs of De Gaulle's successor, Georges Pompidou.

Once the rioting was over, the general believed that more force should have been used.

Foccart noted down an interview between the president and his interior minister, Christian Fouchet. Accused of holding back the riot police during the revolt, Fouchet told De Gaulle that tougher action at the peak of the troubles would have left at least 15 dead and the rebellion would have worsened.

According to Foccart, De Gaulle replied: "There might have been a longer period of jumpiness but the situation would have been clearer."

Foccart's disclosures indicate that De Gaulle handled politics in the style of the self-interested politicians of the Fourth Republic whom he purported to despise. Fecit and petulance emerge from every page. Every Gaullist official was chosen personally by the president, who Foccart says intervened repeatedly to obtain jobs for some of his relatives and was involved in dubious financial transactions.

Perhaps the most surprising revelation is of the general's disdain for African leaders, with whom Foccart was the main link. In November 1968 De Gaulle told Foccart to ban les nègres from the presidential palace for at least two months.

"It's not so much the time they take up, even though that is very boring, but because it has a bad effect outside," Foccart was told. "No one wants to see nègres every day at the Elysée."

other five - Britain, France, the United States, Germany and Italy - to block new investments in Serbia if Belgrade had not signed up to a framework for talks by May 9.

"We don't have a rosy view of the prospects of getting Milosevic to accede to our demands," a British official said. "It's going to be a hard road."

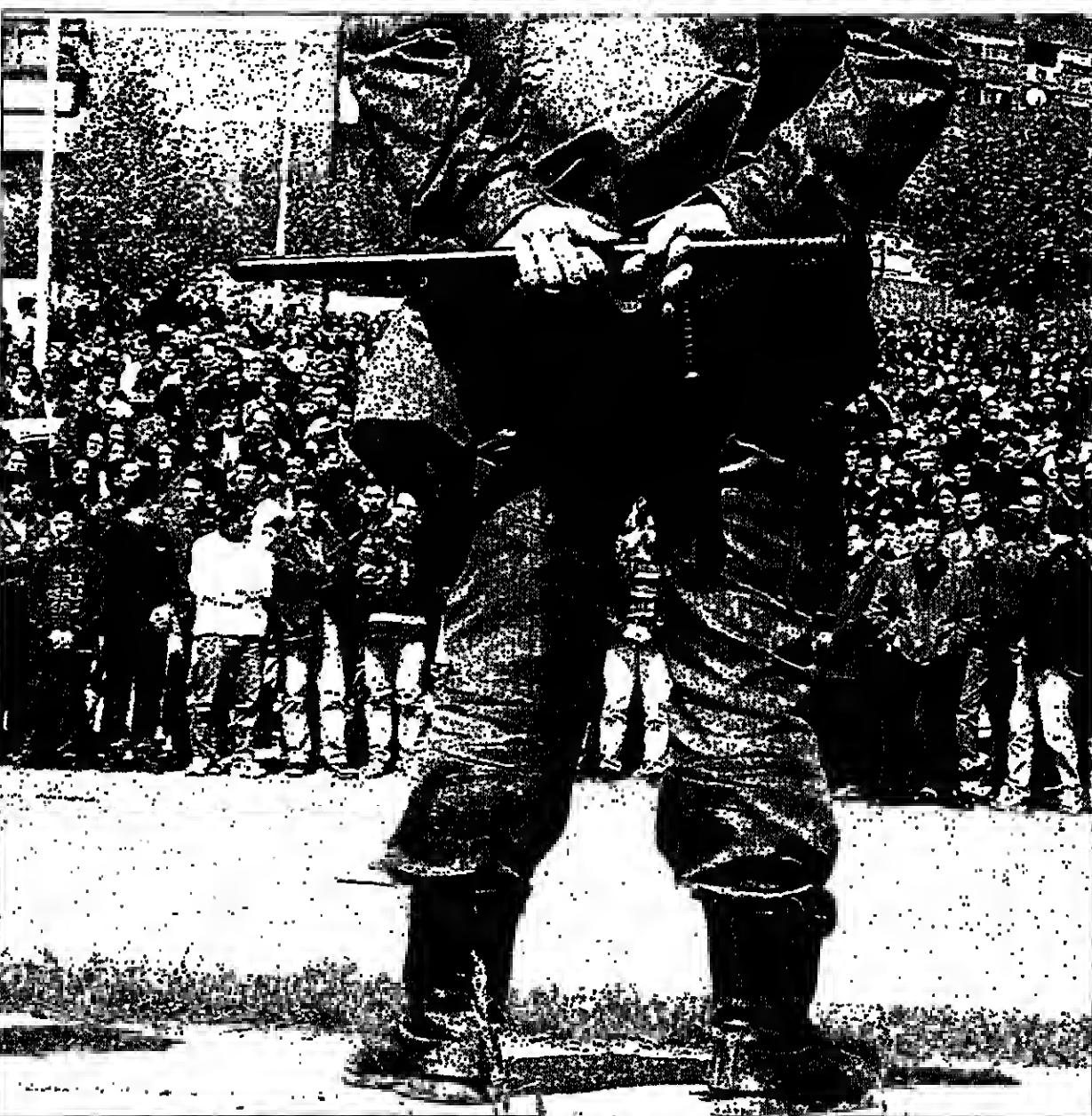
Contact Group ministers are due to meet in London next Friday before the Group of Eight summit in Birmingham to assess progress. The Contact Group promised to promote Belgrade's "full integration in the international community", including the financial institutions whose support it needs.

In Bonn the German foreign minister, Klaus Kinkel, also urged Mr Milosevic to find a political resolution in Kosovo "before it's too late".

International pressure has forced Belgrade to offer negotiations to restore the autonomy it withdrew from Kosovo in 1989, but few ethnic Albanians seem ready to settle for less than full independence.

Abraham Rugova, president of the self-styled Republic of Kosovo, is urging the pursuit of independence through non-violence, but analysts believe he is being undermined by the escalating situation.

The well-armed Kosovo Liberation Army (KLA) has stepped up attacks on Serbian patrols and checkpoints. More than 100 people have been killed since a crackdown by Serbian police and military units began in March.



A Serbian policeman stands in front of ethnic Albanian students to prevent them entering a university building in Pristina, after Belgrade reneged on an agreement allowing them to return to colleges in Kosovo. PHOTOGRAPH: SPANAN SUD

Milosevic shuns West's warning on Kosovo force

Ian Black, Diplomatic Editor

NEW international moves to ease up in Kosovo made little impact yesterday amid new warnings that the province is heading for all-out war.

"The situation in Kosovo is deteriorating, and we must not allow that," the Nato secretary-general, Javier Solana, warned after meeting Macedonian officials.

In London, Robin Cook, the Foreign Secretary, told MPs that President Slobodan Milosevic had to choose between "peace and confrontation" to save Yugoslavia from isolation by the world community.

Serbia had sent more troops, tanks and artillery to the region, he said, warning "President Milosevic continues to choose violence and repression over dialogue."

In Kosovo, ethnic Albanians dismissed as inadequate Wednesday's decision by the six-country Contact Group to freeze Yugoslav assets abroad, and insisted that more forceful action was necessary.

Belgrade blamed the group for "strengthening Albanian separatism and terrorism".

British officials said further action was likely if Mr Milosevic failed to respond to the decision to freeze his country's foreign assets.

The move was weakened when Russia, a strong supporter of the Serbs, dissented from a threat agreed by the

inspired generations of Arabs, died yesterday at his London home, aged 75.

Gibben, a former diplomat, suffered a heart attack, his family said. He had been in poor health for some months.

Prayers will be held tomorrow at the Regent's Park mosque in London. — AP, London.

Obituary, page 14

Madrid urged to act as toxic threat worsens

Richard Bastin in San Lucas La Mayor

VOLUNTEERS hauled thousands of dead fish yesterday from waters poisoned by an ecological disaster in southern Spain, as experts urged the government to take control of the recovery effort.

Flocks of heron and egret feeding on the contaminated corpses of fish, frogs and eel have raised fears that the devastation, caused by a toxic spill last weekend, has begun spreading through the region's food chain.

"This problem now is that the birds are starting to eat the dead fish," a Greenpeace spokesman, Ricardo Aguilar, said. "We have to urgently help get rid of the animals which have been killed by the toxins, so the birds don't die."

Hundreds of workers have fanned out along the river banks and marshlands on the outskirts of Doñana National

Park to help in the clean-up. Ecologists estimate that tons of dead fish have already been cleared away and thousands more remain.

The crisis began last Saturday when a reservoir at the Los Frailes mine west of Seville burst its banks, sending 178 million cubic feet of toxic sludge cascading into the nearby Guadalquivir river.

Hastily built dykes saved Doñana by diverting the contaminated flow to the Guadalquivir river and toward the Gulf of Cádiz. But it cut a 20-mile path of destruction outside the park, damaging crops and killing wildlife.

Greenpeace and other groups have urged the Spanish government to declare a state of emergency and take control of recovery efforts they say are mired in confusion.

"This lack of willingness to work together could have very grave consequences," the Nature Defence Association said in a statement. "It is urgent that the authorities

publish an official list of the toxic elements in order to prevent health consequences."

Spain's cabinet was discussing the situation at its weekly meeting yesterday.

Local authorities also called for help, as some 2,000 farmers in one of the country's poorest regions struggled to cope with the disaster.

Mangel Chavez, president of the Andalusian regional government, was due to meet with Anders Bultow, president of the Canadian-Swedish company Boliden Ltd, which owns the Los Frailes mine.

Mr Bultow said the immediate cause of the breach was a "sliding layer of earth" about 20-25ft below the dyke, but it was not known what triggered the movement.

Environmentalists have accused Boliden of failing to properly maintain the reservoir's walls, and a farmers' group has demanded that the company pay for the clean-up, estimated to cost some \$80 million. — Reuters.

Italy cradles Mafia bosses in bosom of welfare state

John Hooper in Rome

ONCE a month for the past 23 years, a man called Vincenzo Coppola has been turning up at a security office in Sicily to collect disability benefit for his friend.

The reason why Vincenzo Virga cannot go and collect the money himself, however, is not that he is too ill or handicapped.

It is because he is on the run. Virga is one of Italy's top mobsters and the man prosecutors say is responsible for laundering the fabulous revenues of the Sicilian Mafia's dominant "family", the Corleonesi.

His disability benefit is worth 700,000 lire (€235) a month. According to a report by the deputy head of the Italian parliament's anti-Mafia commission, several dozen mafiosi, including about half the men on the "copola" or governing board of Cosa Nostra, are drawing benefits.

"What I have discovered is enough to bring you up in goose pimples," Nichi Vendola said. "While the government argues about how to cut welfare spending, the state is paying pensions to its worst enemies."

Francesco Messina, 70, is the suspected head of the Mafia in Trapani province and Italy's second most wanted man. Yet every month, he - or rather, a friend - draws his old-age pension, worth 1,300,000 lire. Vito Vitale, another top mobster who was arrested last month, was found to be getting benefits both for an injury at work and for being unemployed.

News in brief

Chubais handed energy challenge

PRESIDENT Boris Yeltsin's former chief of staff and deputy prime minister, Anatoly Chubais, was yesterday named head of Russia's state-controlled electricity monopoly, Unified Energy Systems.

According to the new prime minister, Sergei Kiriyenko, Mr Chubais must ensure adequate supplies of winter fuel or face the sack. UES is owed more than £1.5 billion.

But Mr Chubais will enjoy huge powers of patronage which will be crucial in the run-up to the next presidential election. The appointment of an ally confirms Mr Yeltsin's determination to control the succession battle. — Tom Whitehouse, Moscow.

Kurdish toll rises in Turkey

TURKEY said yesterday that another 38 guerrillas of the Kurdistan Workers' Party (PKK) had been killed as thousands of troops continued an offensive against the separatists in the country's mountainous south-east.

Clashes in a remote area around the towns of Kulp, Haril and Geceli, north of Diyarbakir, brought the rebel death toll to 74 since the weekend, Turkish security officials said. — Reuters, Tunceli.

Tyres burn in Suharto protest

HUNDREDS of Indonesian students yesterday set light to tyres on a university campus near Medan, northern Sumatra, as they demanded the resignation of President Suharto.

Stones were thrown as troops in riot gear moved in behind an armoured car, lobbing tear gas shells to push the students back into the campus. In Medan, about 1,000 students blocked a road near their campus before they, too, were driven back by tear gas, witnesses said. Anti-Suharto protests have followed economic crisis in Indonesia. — Reuters, Medan.

PNG truce signing expected

WARRING parties on the battered South Pacific island of Bougainville were last night expected to sign an official ceasefire.

The Papua New Guinea government and Bougainville secessionist rebels agreed at peace talks in New Zealand in January on a permanent truce in a nine-year ethnic war which has killed up to 20,000 people. But it was unclear whether Bougainville rebel chief Francis Ona would attend. He has so far refused to endorse the deal. — Reuters, Port Moresby.

Syrian poet dies in London

NIZAR QABBANI, the Syrian poet whose verses on love and life

Sudan denies blocking aid

THE International Development Secretary, Clare Short, has accused the Sudanese government of blocking emergency aid bound for the famine-threatened south, because it fears the aid will strengthen rebels in the region.

Khartoum denied the charge and accused the rebels of stopping help reaching Bahr el Ghazal provinces, where 50,000 people are said to be in immediate danger of starvation. — AP, Nairobi.

Gadafy arrives back in Chad

THE Libyan leader, Muammar Gadafy arrived in Chad yesterday at the head of a 315-vehicle convoy on his first visit since 1981, when Libyan troops occupied their southern neighbour.

The three-day trip will include a prayer meeting today marking the Muslim new year and a regional summit. — AP, N'Djamena.

Larry Flynt versus Cincinnati

HUSTLER magazine publisher Larry Flynt, who has been challenging local obscenity laws by selling pornography from a shop in Cincinnati, yesterday surrendered on obscenity charges.

Mr Flynt says he believes the videos he sells are protected by the First Amendment. "I'm looking forward to the trial. I'm not looking forward to the bureaucracy," he said after being released. — AP, Cincinnati.

'Perks' strike hits euro

Stephen Bates in Brussels

EUROPEAN civil servants in Brussels staged a 24-hour strike before today's summit to launch the euro, in protest at planned changes to their lavish perks and working conditions.

Several thousand officials working for the European Commission and Council of Ministers picketed their offices over the alleged "Americanisation" of work practices.

Under pressure from Euro-

pean Union member states, the Commission plans changes including new performance reviews and regular assessments that do not give top marks automatically, easier dismissal procedures and a review of holidays and allowances.

The Commission's employees are among the best paid civil servants in Europe, with salaries rising up to £110,000 a year and generous allowances, averaging 16 per cent, on top of the salary for those working abroad.

Officials receive a head of household allowance worth 5 per cent on top of their salaries, an allowance for each child of £140 a month, plus schooling and university allowances up to the age of 26, resettlement allowances every four years and two paid trips home each year.

Tom Jenkins, president of the EU's economic and social committee, said: "The staff see a grave threat emerging to the independence, competence and permanence of the European civil service."

online

Every Thursday in the

The Guardian

Analysis Drugs in sport



Bell, book
and Sereny
12

To the victor, the steroids

Competitors who train on drugs remain one step ahead of the authorities – just. But as Diane Modahl and Michelle Smith know, those who don't have a hard time proving their innocence.

John Duncan reports

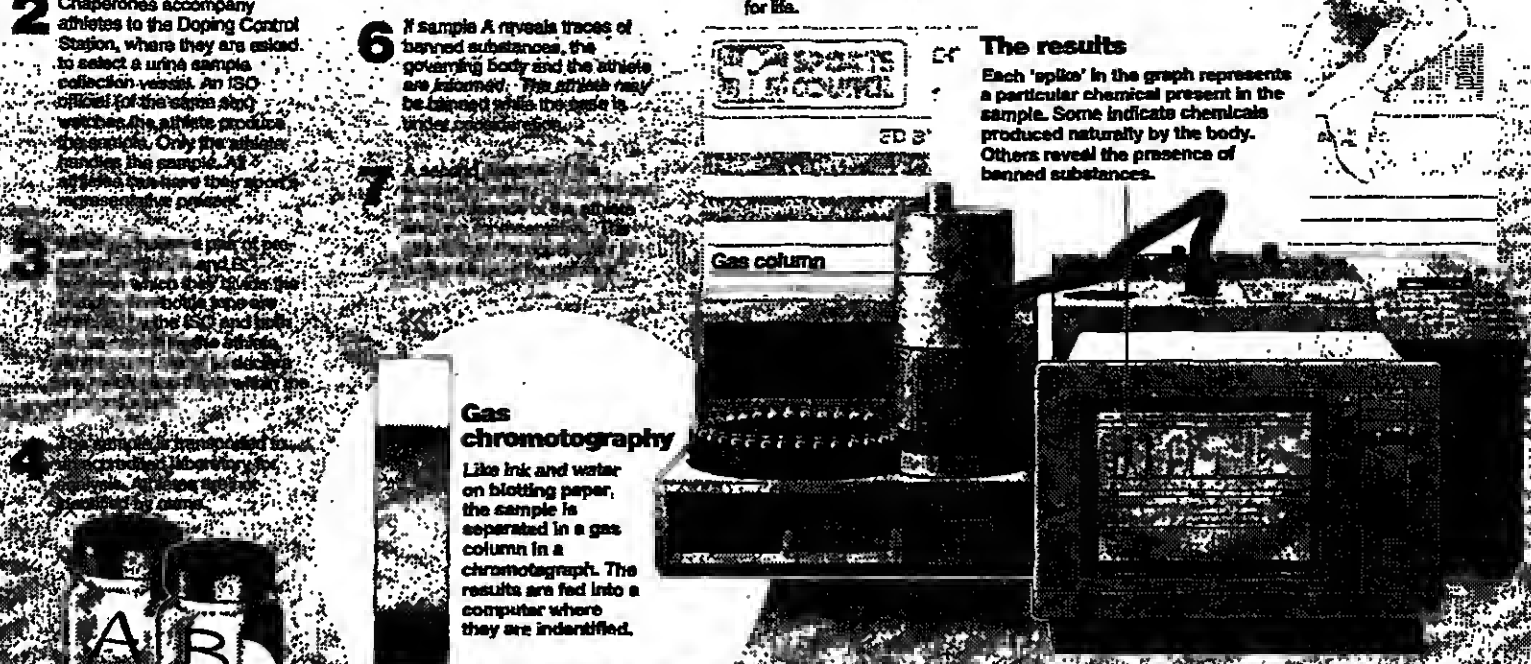
Official testing procedure: step-by-step guide

Athletes can be tested for drugs at any time, either on the day of competition or during training. Short or no notice is given.

- 1 Athletes are notified in writing by a UK Sports Council Independent Sampling Officer (ISO) that they have been selected for a drugs test.
- 2 Chaperones accompany athletes to the Doping Control Station, where they are asked to select a urine sample collection vessel. An ISO official for the region also witnesses the process. Athletes are then asked to provide a sample.
- 3 The sample is placed in a container and sealed. The ISO official signs the container and the athlete's name is written on it.
- 4 The sample is transported to the laboratory for analysis.
- 5 In the laboratory, sample A is analysed. If it is found to be clean, a negative result is reported to the relevant sport governing body and sample B is destroyed.
- 6 If sample A reveals traces of banned substances, the governing body and the athlete are informed. The athlete may be asked to provide a second sample.
- 7 A second sample is analysed. If it is found to be clean, the athlete is cleared. If it is found to be positive, the athlete is suspended from competition for a given period or banned for life.
- 8 If sample B proves positive, a decision is taken; the athlete could either be suspended from competition for a given period or banned for life.
- 9 Every athlete is entitled to appeal against the decision reached.

The results

Each 'spike' in the graph represents a particular chemical present in the sample. Some indicate chemicals produced naturally by the body. Others reveal the presence of banned substances.



Banned substances

- Stimulants**
e.g. Amphetamines, Cocaine
Benefits: Increased mental/physical alertness, alertness and competitiveness.
Side Effects: Raised blood pressure, increased and irregular heartbeat, addiction.
- Diuretics**
e.g. Furosemide, Bumetanide
Benefits: Increases urine output.
Side Effects: Dehydration, electrolyte imbalance, kidney damage.
- Cardiovascular Agents**
e.g. Nitroglycerin, Dinitrate
Benefits: Increases blood flow to the heart.
Side Effects: Headache, dizziness, low blood pressure.
- Androgens**
e.g. Testosterone, Anabolic Steroids
Benefits: Increases muscle mass, strength and endurance.
Side Effects: Acne, hair loss, liver damage, aggression.
- Peptide hormones and analogues**
e.g. Growth hormone, EPO
Benefits: Increases growth, improves oxygen flow and muscle growth, controls pain.
Side Effects: Abnormal growth of tissues, joint pain, and increased risk of blood clots.
- Other substances**
e.g. Alcohol, Cannabis
Benefits: Reduces heart rate and blood pressure to relax nerves and slow breathing.
Side Effects: Low blood pressure, slow heart rate, dizziness.

IT IS one of the biggest contests in world sport: the prize for winning the cost of taking part, is measured in millions of pounds. But it takes place not on a track or in a swimming pool or a soccer pitch but in laboratories in all five continents. And according to insiders it is a closer battle than it has ever been.

"Let's just say it's a diminishing horizon," said Thomas Reilly, of the John Moores University, Liverpool, a leading authority on drugs in sport. "Procedures have been tightened up from what they were and people who want to get round the tests have to be an awful lot smarter than they used to be."

The drugs spotlight wanders regularly from sport to sport as loopholes close or national federations decide to bite the drugs bullet and get tough on the cheats within, who have either been tacitly tolerated or, in some cases even protected, from outside attention. Drug testing has always been the responsibility of those who have most to lose from the dirtying of their own sport and it is hardly surprising that sports bodies have sometimes been loath to see their own patch defiled.

"Allowing national governing bodies, international federations and national Olympic committees to govern the testing process to ensure fair play is terribly ineffective," says Robert Voy, former chief medical officer of the United States Olympic committee. "In a sense it is like having the fox guard the hen house."

While drug abuse has been traced back to the ancient Greek games, it is relatively recently that anyone has decided to do anything about it. Testing in any form for drug abuse wasn't introduced until the '50s and '60s as a response to widespread reported abuse of amphetamines, which had been implicated in the death of the cyclist Knut Jensen and Tommy Simpson. Drug abuse was then so widespread that when the federation started testing urine many of the samples were bright green.

But the testers were way behind. Tests were predictable and techniques were unsophisticated and couldn't detect the increasingly popular anabolic steroids. The Olympic movement was ponderous and slow in its response to concerns, and steroids were not banned until the 1976 Montreal Games

because there wasn't a reliable test for them – eight athletes were disqualified for using them that year.

The next great leap forward came in the 1983 Pan American Games in Caracas when gas chromatography mass spectrometry (GCMS) was used for the first time at very short notice. "The adoption of the GCMS method led to the disqualification of 19 athletes," says David Mottram, of the John Moores pharmacy school. "However, many athletes withdrew from the Games, presumably to avoid the testing programme."

For the first time guilty competitors could feel the testers breathing down their neck.

By then, however, the battle was already moving away from stadiums and tracks to the training fields and gyms where athletes prepared themselves, privately and away from the threat of the sample bottle.

To understand why you have to understand how drugs work. Apart from stimulants, most drugs don't immediately enhance performance, you don't just mix into the test before a race, take steroids and become a winner. Steroids enable athletes to train harder and recover more quickly from their exertions, aiding the transport of oxygen around the body and assisting athletes in building muscle. Other doping methods affect the number of red blood cells produced or the way that the body deals with carbohydrates. These produce a benefit noticeable on competition day long after evidence of the drug itself has been expelled.

From the early days of drug testing until the 1980s, all athletes needed to do was to choose schedules carefully to avoid traces of banned substances in their urine at competition time.

The testers responded. Norway introduced random out-of-competition testing in 1977 and British athletics started a pilot scheme with Sports Council help in 1985. Now athletes who travel away from home for more than five days must leave an address with the testers so they can be surprised anywhere at any time. Not to do so is an offence, as is failure to give a sample. The steps that must be taken to avoid being caught have become ridiculous, with anecdotal evidence that some athletes use a process called catheterisation to insert someone else's urine into

their own bladder at short notice if they have been warned that a tester is on the way.

The personal cost of cheating is now higher than ever. And many of the risks remain unknown. The documented long-term effects of steroids include liver and kidney damage, acne, growth of facial hair and the loss of breasts in women. The effect of other steroids and drugs on the heart, nervous system, brain and bones are suspected. But no one is quite sure how high the cost of drug abuse really is, and there is no ethical way to find out. For example, when the National Institute of Drug Abuse in the United States was determining how much cannabis it was possible to take in as a passive smoker, the test involved five people in a room being exposed for an hour a day to smoke from six marijuana joints. Steroids are just too dangerous to allow that to happen.

"The problem is that we cannot clinically find out what effect they have on performance, or their side-effects, because of the ethical implications of asking a group to take them," said Professor Reilly.



Michelle Smith



But some athletes are still prepared to pay any price for success. EPO (erythropoietin) is an anabolic steroid, a fashionable drug, but according to Gabriele Rosa, an athletics coach who used to work with cyclists, it slows night-time heart rate so much that cyclists who use it sleep hooked up to heart-rate monitors which wake them up when their rate slips below a certain level.

Cyclists are also undergoing heart operations to widen the iliac artery and aid blood flow through the heart in order to gain an advantage. It's not banned but is an extraordinary thing to do in pursuit of success.

The most recent challenge to the testers has come from drugs that are hard to ban because they occur naturally and in varying concentrations in the body. This makes them

theoretically detectable and, therefore, prohibitable. Human growth hormone, dihydro testosterone and human chorionic gonadotrophin are naturally-occurring substances which are taken artificially to improve stamina and endurance. Testosterone levels between individuals are mass-ly varied, and one drug insider says that internationally acceptable standards for testosterone have been set so high that it allows women cheats to "get away with murder". But the intractable problem for the authorities is that any test that can't be applied uniformly isn't worth the test tube it is conducted in. And any governing body that doesn't accept that will face a legal challenge.

"Governing bodies are lagging behind the legal support that top athletes can muster to challenge findings," says Professor Reilly. British athletics is still recovering financially from the cost of Diane

Modahl's successful legal campaign to clear her name. The professionalism required of competitors is still not always matched by the professionalism of the governing bodies in dealing faultlessly with drug procedures. The leaking this week of the result of the sample A taken from the swimmer Michelle Smith will give her ample opportunity to sue someone somewhere if she is ultimately found not guilty. An athlete's reputation is at the heart of his or her earnings capacity, and drugs is the darkest stain that can be incurred in the pursuit of success.

"I'm not convinced that the scientific solution is all that it is cracked up to be," says Michele Verroken, head of the United Kingdom Sports Council Doping Control Unit. "We need clear commitments

from federations, sponsors and governing bodies on their approach to the subject. We won't get the confidence of athletes if federations just dive in and speculate as to the guilt of athletes before they have been given a proper hearing and proper procedures have been followed. The athletes are the key to this."

Sources: (1) R Voy: Drugs in Sport and Politics, 1991; (2) A Beckett and D Cowan, Misuse of Drugs in Sport, British Journal of Sports Medicine 1976; (3) Drugs in Sport, edited by David R Mottram, 1996.
Graphics sources: Ethics and Anti-Doping Director, UK Sports Council; Drugs and Sport, Association of Chief Police Officers; International Olympic Committee Medical Code, 1988. Graphic News. Graphics: Graphic News; Steve Villiers; Finbar Sheehy. Researcher: Jane Crinlin. John Duncan is the Guardian's sports reporter.

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David Surrey Dane

Blood, sweat and conquering fears

Dane was also a strong advocate of the manufacture of blood products in Britain from donated blood rather than importing them from the US, where they were taken

quences of not following this advice, and failing to be self-sufficient, were disastrous for haemophiliacs, who early on became infected with HIV. Overall, his contributions to the high standards of safety of the blood supply were all-embracing, but, once again, it was only those who had the privilege of working closely with him who knew the full extent of his inspirational contributions.

Dane's retirement in 1982 left a gaping hole in British

since the problems of HIV infection were about to emerge. Characteristically, having decided to retire, he was resolute in not interfering with the work of his colleagues. However, he was involved as an expert witness in three court cases, supporting the claims of people infected with fatal viruses as a result of medical treatment. The man to see public acclaim or recognition, it was only those who lived or worked closely with him who understood the intensity of his influence. Unlike many senior scientists, he never took credit for the

work of his juniors, while his genuine philanthropy meant that he strongly opposed the restrictive trend of research scientists to seek commercial gain from their discoveries by patenting them.

A much-loved family man, with a delightful, sometimes mischievous sense of humour, Dané was an outstanding medical virologist, and his Es was loved by his wife Veronica, their three children, two stepchildren and grandchildren.

Richard Tedder and Sir John Paterson

David Surrey Dané, virologist, born March 25, 1923; died April 9, 1998

was attracting attention from a collector; it had been used to repair leather work. The home-made bellows of the mobile force defied attempts to motivate it. There were no animals; they had already gone to mart. The old pasture is to be turned to the plough, and rumour was rife that the farm buildings were to become executive dwellings.


VERONICA HEATH



A Country Diary

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VERONICA HEATH



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GA. made changes in its transportation law this week. Several bills, including one that would allow the state to take the wheel of interstate bus transportation, have been passed by the Legislature.

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Mr. Young with
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GA failed to
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10 percent interest rate they charge on investment. The road bureau's report said the company has been bought by the state for about \$1.5 million.

Raymond Black, Jr., secretary of the Greater Grand Rapids Supervisors Association, said that the city of Grand Rapids is not planning to buy the company.

OPENING UP



Regulator accuses regional suppliers of overestimating cost to consumers of quality measures

Coming clean over water

Nicholas Barnister and Celia Weston

CONSUMERS would be grossly overcharged for new environmental and water quality measures under proposals put forward by the water companies, Ian Byatt, the industry regulator, told ministers yesterday.

Mr Byatt, director general of Ofwat, claimed that the companies' investment proposals would add \$55 to the average household bill by 2005. He estimated, however, that they should cost just £18. He also called on environment supremo John Prescott and Welsh Secretary Ron Davies to indicate how and by when the measures should be implemented.

The industry estimates that it would have to invest an extra £11 billion between 2000 and 2005 to meet standards laid down in European Commission directives and British legislation. These include cuts in the lead content of drinking water, cleaner coastal bathing water and the protection of wildlife habitats such as wetlands.

But Mr Byatt, who is preparing water and sewerage price controls for the start of the millennium, said the companies had failed to take account of future efficiency when estimating their costs.

"This is a sizeable programme but I believe that companies have overestimated the cost of these new obligations," Mr Byatt said. "On the basis of an initial challenge to the figures, I believe the size of the investment can be reduced. By how much, depends on the Secretaries of State's decisions and

on further work to be done on the costings."

The regulator has sought ministerial guidance on nine issues, including the timing of work on the water distribution system, compliance with the new lead standard, measures to deal with nitrates and pesticides in water, changes in the implementation of the European waste water directive, and the disposal of sewage sludge.

In addition to the £11 billion investment, the water companies want to spend £3.7 billion on improving water supply, extra maintenance and improved customer services.

Mr Byatt is considering imposing a significant one-off cut in charges when the new price controls start in two years' time, followed by more modest annual reductions.

He is on a collision course with the companies, which claimed on Wednesday that independent research showed consumers were willing to sacrifice lower household water bills to pay for the environmental and water quality measures.

Brian Duckworth, chairman of the industry trade association, Water UK, said the regulator and government ministers should listen to what water customers wanted. "They want long-term protection of the environment not to be sacrificed for the possibility of short-term price cuts," he said.

There are likely to be huge regional variations in costs of improvement schemes, with customers in Anglian, North West and Northumbrian Water regions facing sewerage bills 50 per cent higher than the national average.

In another report, Mr Byatt said companies had generally beaten the 10 per cent efficiency targets set in 1994.



Sweeping clean-up measures to meet European directives will deal with beaches and coastal bathing, as well as drinking water and wildlife habitats. PHOTOGRAPH: DON MCPHIE

Fines set on Young scandal

Dan Atkinson

TWO of the biggest names in British financial services have been fined a total of more than £400,000 for failures as trustees of funds wrecked by the £400 million Peter Young rogue-management scandal.

Imro, the fund management regulator, fined General Accident's trustee arm £120,000 and Royal Bank of Scotland £280,000. Both were trustees of Morgan Grenfell funds, managed mainly by Mr Young, who is the subject of an investigation by the Serious Fraud Office.

In August 1996 it was discovered the funds faced a huge asset shortfall, and Morgan's parent, Deutsche Bank, had to pump in £1 billion in liquidity and buy back about £160 million of securities from the funds.

At the heart of the problem was the building of clients' monies into speculative and unlisted continental companies to levels way above that permitted by Imro. Two of the key funds in the scandal were the Europa and European Growth funds.

GA was trustee of Europa to the end of January 1996, at which point it handed over to Royal Bank of Scotland, and of European Growth until May 1996, when it similarly passed responsibility to Royal Bank. GA will pay Imro's investigation costs of £247,400 and Royal Bank will pay costs of about £153,400.

Trustees are charged with representing the interests of clients and keeping a close watch on funds to ensure clients' interests are respected.

GA made checks during its trusteeship, but failed to follow through. Royal Bank's shortcomings were considered more severe, in that it failed to spot the level of investment in unlisted companies, hence the heavier fine.

Royal Bank last night said that it had been trustee of the two funds for only a short period before the irregularities came to light. It added that a new electronic compliance system had been installed in January last year to improve its trustee services.

The irregularities, largely but not exclusively connected with Mr Young's rogue investment policies, ripped the guts out of the two funds, which had to be suspended.

Clients' money had been piled into some companies with no public listing and no proper record as investments, breaking Imro's 10 per cent limit on investment in unlisted securities.

Mr Young was suspended on September 1, 1996 and asked to leave the company on September 16. Six other employees had left by December 1996.

GA failed to notice the two trusts had breached the 10 per cent limit, failed to ensure they complied with other investment limits, did not record breaches in its trustee report and did not ensure safe custody for bearer shares bought by European Growth for about £16 million.

Royal Bank, which won the trusteeship in competitive tender from GA, failed to supervise properly Morgan's operation of the two trusts and did not identify breaches of investment limits.

Imro has already fined Morgan Grenfell £2 million with more than £1 million costs.

Yoghurt may end firm's lean period

Tony May

SUPERMARKETS have begun to offer diet-conscious customers a yoghurt that tricks the brain into thinking the stomach is full.

Safeway has begun trial sales of Swedish yoghurt containing the brain-teasing ingredient Olibra, which was developed by biotechnology group Scotia Holdings. The product should be in all super-

markets by the end of the year.

Scotia has struck a deal with Unigate's St Ivel division to develop yoghurt and dessert containing Olibra, which is made from a natural fat extract of palm oil and oat flakes. The extract triggers the release of chemicals that produce a feeling of being full.

Safeway is to sell Skane Dairy Maval, which, since its release in southern Sweden in January, has won a 2 per cent share of the national fruit yoghurt mar-

ket, despite selling at more than twice the price of rival brands.

Available in three flavours, it will retail at 75p for a 200g pot. It is designed to help people avoid snacking and is not a low-calorie diet food. Nor does Scotia claim it to be an appetite suppressor or weight-reducing product.

When Unigate has developed its products they will be marketed in the UK, Ireland, France and Italy.

The biotech company said: "The agreement with

Unigate is the first of what Scotia anticipates will be a number of deals designed to give Olibra access to all of the world's major dairy markets."

Scotia's financial projections show that, at £700 per tonne of yoghurt sold, it would gross £60 million if it could win 1 per cent of the world's top 10 markets.

Scotia investors — who have seen their shares fall in value from 28 each to £2.60 in 18 months — are hungry for good news and yesterday's announcement

pushed up the price by more than 10 per cent to 37½p.

The group, which has undergone a shake-up since Robert Dow became chief executive last December, has reduced its development programme. It will concentrate on cancer and related areas with the development of six drugs.

The other 18 treatments Scotia was working on now have a value of zero and the board hopes to license the drugs to companies which can afford to develop them.

Investec buys up Hambros rump for £428m

Tony May

THE rump of Hambros — a once proud City merchant bank with a 160-year history — has been sold for £428 million to Investec, a South African investment bank.

Hambros chairman Sir Chips Keswick has already sold the main banking business to Société Générale for £300 million after having off to separately quoted companies the Hambros Countrywide estate agency and financial services operations and Hambros Insurance.

The breakup of Hambros followed a strategic review last autumn triggered by pressure from shareholders for improved performance after poor results from its banking division over recent years. The bank was tainted by involvement last year in the attempt by Andrew Regan to take over the Co-operative Wholesale Society, analysts said.

Investec is getting the whole of Hambros Plc subject to certain conditions.

Investec, with a market capitalisation of about \$2.4 billion, has interests ranging from asset management, trading, investment and private banking. Its London operation — begun with the purchase of Allied Trust Bank six years ago — has 400 staff.

Yesterday chairman Hugh Herman said the Hambros deal would probably be the last acquisition for a while. "The next thing we plan to do is digest what we've already got," he said. The company would pay less than the headline cost because Hambros retains cash from earlier sales and planned further divestments.

Texas triumphs in civil war over Energy

Celia Weston Industrial Correspondent

AERICAN power company Texas Utilities has won the long-running and costly battle to take control of Energy Group, the UK coal and electricity company.

The acrimonious struggle came to an end last night after PacificCorp dropped out and the Energy Group board said it would recommend that shareholders accept the most recent Texas bid of 840p, valuing the company at \$4.45 billion.

Energy Group includes the

country's largest regional electricity company, Eastern Electricity, and Peabody, the largest US coal producer. Eastern becomes the eighth of the original 12 UK regional electricity companies to fall into American hands.

Ede Nye, the Texas Utilities chairman and chief executive, said his group now had "a significant and integrated presence in three key liberalising energy markets — the US, the UK and Australia."

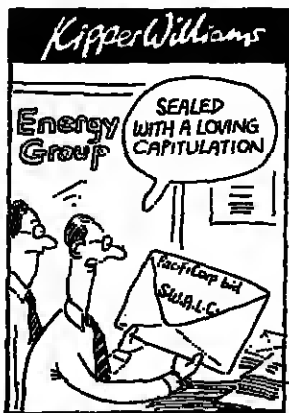
Texas executives are keen to use Energy Group as a bridgehead into Europe, where the Dallas-based company is interested in expand-

ing into the former eastern bloc.

Fred Buckman, PacificCorp's chief executive, said the company did not see "acceptable financial returns" above the 820p it had bid. Its capitulation marks the end of a year-long campaign which has cost the Oregon-based organisation at least \$120 million. Texas spent \$144 million on the campaign and millions more to acquire a 22 per cent stake in Energy Group. It is financing the deal with loans of \$10.2 billion (about \$5 billion) from a syndicate of banks led by Chase Manhattan.

At PacificCorp, the expectation is that senior heads will roll. Its first bid at 820p share was recommended by Energy Group last summer but lapsed when referred to the Monopolies and Mergers Commission. Energy Group shares soared beyond that offer after regulatory clearance was received in December but PacificCorp did not raise its bid (to 765p) until January, allowing Texas time to organise financing for its own bid.

In early March Texas jumped in with an agreed 810p offer, over which PacificCorp bid 820p — to be bettered by the final Texas offer.



Britain routs France to get feet under euro top table

TONY Blair and the Chancellor, Gordon Brown, took advantage of France's isolation over the European Central Bank row yesterday to curb the threat of British exclusion from a key post-euro policy making organisation, writes Martin Walker in Brussels.

The British combined with Germany, Austria and the Netherlands to weaken the powers of the Euro-X group, intended by France to be Europe's cru-

cial body for economic decision making.

Britain and other European Union members not joining the first wave of the single currency will now help staff and prepare meetings of the Euro-X group, whose status has been downgraded. The committee of EU finance ministers, Ecofin, is to retain its primacy for economic policy, as Britain had argued.

"This is very satisfactory from our point of view," a

British official said. "It allows us to be in on the preparations for the Euro-X meetings, and to attend some of them and to protect our interests."

A German official commented: "The French only have themselves to blame. They annoyed everybody by trying to block the appointment of Wim Duisenberg to head the ECB. It was 14 member states against one." The French have been lobbying for Jean-Claude Trichet, head

of the Banque de France. Sir Nigel Wicks, head of the EU monetary committee, had swung finance officials and central bankers round to the British argument that an exclusive Euro-X would divide the EU into two mutually suspicious camps.

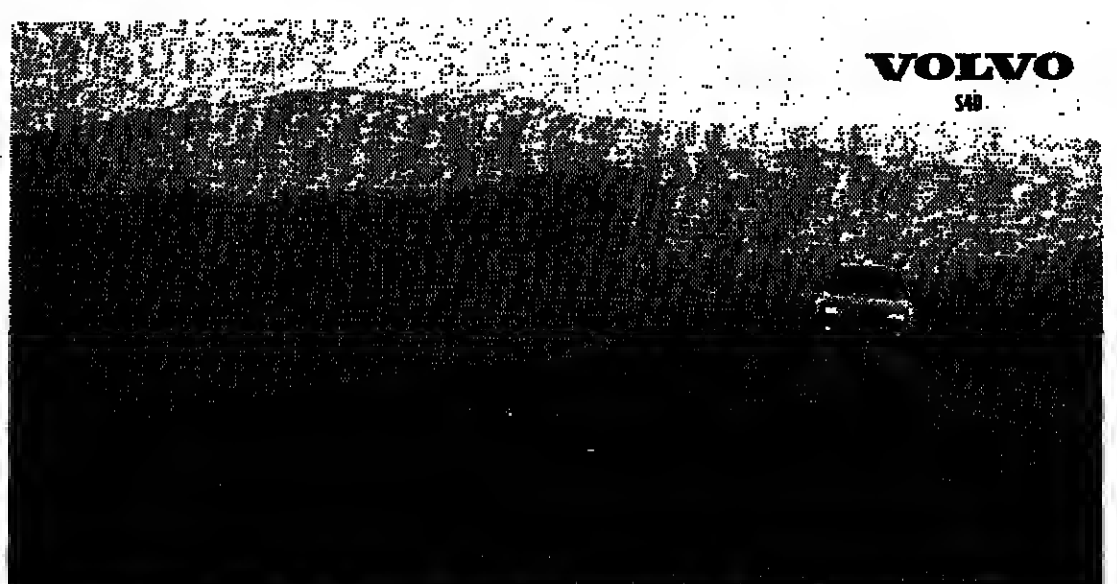
Mr Blair fought hard at last year's EU summit in Luxembourg to prevent Britain's exclusion from the Euro-X and won only the concession that its meetings would be limited

to purely internal matters. But since this included relations between the euro and the outside world, Britain could have lost its seat at the top table of global financial management.

● The Government is poised to launch a campaign to raise awareness of the EU single currency and help business prepare to use it as a parallel currency — whether or not Britain joins. Mr Brown announced last night.

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FinanceGuardian

Seagram sets media industry alight

EMI triggers bid fever

Lisa Buckingham
and Simon Beavis

A TAKEOVER approach to EMI, the largest independent music group in the world, looked set last night to spark one of the most fiercely contested auctions seen in the global media industry.

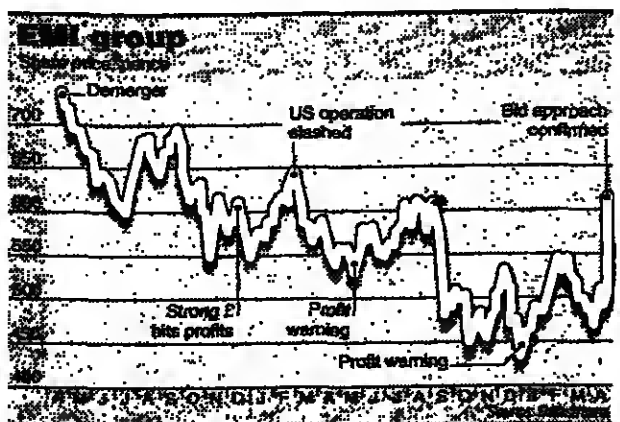
Seagram, the Canadian drinks and entertainment group which owns MCA and Universal studios, is believed to have sounded out Sir Colin Southgate, the EMI chairman, about tabling an offer.

Edgar Bronfman, chairman of Seagram, was in London on Wednesday, and Sir Colin is known to have flown to Los Angeles, Universal's headquarters, last week. Both refused to comment beyond

EMI's admission that it had received an approach which might lead to a takeover offer. EMI is the world's third-largest music corporation, with a roster including artists such as The Verve, Radiohead, The Beatles, the Rolling Stones, Chumbawumba and Robbie Williams. It is also the biggest stock market value of more than \$5 billion and sales of \$3.6 billion a year.

Although the company has been the focus of takeover speculation since it became independent in the summer of 1996, the emergence of firm interest is expected to flush out other potential suitors such as Disney, Rupert Murdoch's News Corporation and the raider Kirk Kerkorian.

Sir Colin is believed to be determined to exact the highest possible price for EMI's loss of independence. Some in



the industry have speculated that the company may submit to a \$5.5 billion bid. But others are saying that the price of an agreed bid, which would be essential to keep the company's army of creative

talent on board, may have to exceed \$7 billion.

One insider said yesterday: "The price will have to be much more of a knock-out than anything I have seen being speculated about. You

don't take out the world's largest music publisher and the global number three in records for small beer."

This takeover approach comes as EMI endures torrid times. Its share price is about \$1 lower than when the company was floated from the Thorn rentals group, and several senior executives have quit in recent weeks.

"Lucky" Jim Field, who had built up the music business into a global company, was recently given a \$14 million pay-off after being refused the job of chief executive.

This week Jean Francois Ceillon, the controversial chairman of EMI Music in the UK and Ireland, also left.

The company was forced to find money when its HMV/Dillons subsidiary acquired Waterstone's bookstores from WH Smith but City banks

Notebook

Even friends must pay the full price



Mark Milner

PROFITS warnings, a couple of high profile executive departures and a share price which has slipped by a third in a year, EMI has all the hallmarks of a classic takeover target. No surprise that suitors are already lining up.

Appearances, however, can be deceptive. EMI is no niche player looking for a foreign owner to fund the next round of development or expansion. It is a global player—number three in the world and ranked even higher in a number of its markets. It has already spent heavily to build up a juicy portfolio of revenue producing assets. Despite the executive departures the management in place looks more than capable of getting the best out of EMI.

But if it is easy enough to see what EMI might bring to any of the groups with which it is being linked, it is rather harder—despite yesterday's surge in the share price—to see what any would bring to EMI. Simply because EMI is the only one of the big six music companies to be a stand-alone operation, that does not mean it can only have a future as part of a larger operation.

In the entertainment business, hostile bids are tricky. Too many assets can walk out of the door. So approaches to the EMI will have to be friendly. The board should not be easily wooed or pressured. It should make it plain to any and every suitor that, if the business is to be sold, it will only be sold at a very high price indeed. It is a view shareholders should make it clear they fully endorse.

Good on paper

EXPECT a modest boost from the US for Europe's fledgling single currency, the euro, within the next few days. Aon, the American insurance brokerage company, is poised to tap the financial markets for a syndicated loan in excess of 400 million euros.

Aon is not the first organisation to come to the euro market. Organisations like the European Investment Bank have already done so on a much larger scale. But the Aon deal, being led by Citibank, is reckoned to be the first by a US corporate.

That is important. One of the yardsticks by which the euro will be judged will be the willingness of investors round the world to hold euro-denominated paper. It will be hard indeed to trumpet the euro's success unless it can command the confidence of the financial markets. Given the degree of scepticism among opinion formers in the US about the single currency's prospects the Aon deal will be a small but useful contribution.

Great British names go west

Roger Cowie

EMI (potentially), Hambros Bank and Energy Group yesterday became the latest in a long line of British companies to fall into foreign hands.

Rolls-Royce cars, the Cunard shipping line and Courtauld chemicals this year have been going the way of Rover, Jaguar, Fisons and two-thirds of the 12 electricity companies which were privatised at the beginning of the decade. British merchant banks have also become an endangered species.

Last year saw foreigners spend \$33 billion on British companies—an increase of a third over the previous year. But this surge of overseas buying represents a global upheaval rather than a sudden weakness of British industry.

Many of the biggest deals are part of widespread international restructuring, in some cases prompted by the growth of the domestic business. Britain also has attracted buyers as a gateway to the rest of Europe.

The traffic is not all one way, however. British companies have splashed out—especially in the US.

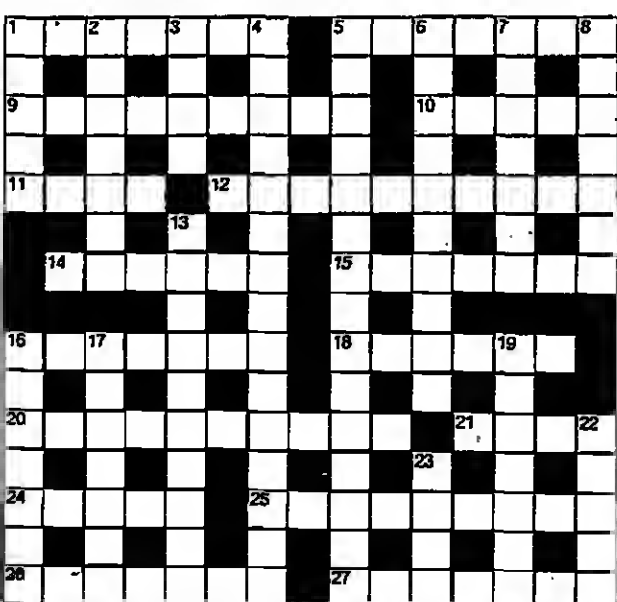
Most recently, Bass has been the biggest UK buyer, adding Intercontinental hotels to its portfolio. Mail-order group GUS spent heavily in the US and last week GEC announced its acquisition in pursuit of a bigger transatlantic defence business.

British enthusiasm for US acquisitions has been dimmed by a series of disasters in the 1990s, when American expansion was regarded as the answer to poor UK prospects and groups such as Hanson led the charge.

Some companies, including Midland Bank, Marks & Spencer, Dixons, United Biscuits and Commercial Union, found that apparently cheap buys soon looked expensive, and several of the invaders cut their losses and ran back home.

Guardian Crossword No 21,263

Set by Plodge



Across

- Hacks twice admitted members of 9's group (7)
- Setter's after blood? That's laying it on a bit thick (7)
- Revolutionary left-winger in no market covering work found in the 21 (6,3)
- Goddess appearing to Homer at Olympus? (9)
- Labour network? (4)
- Artful young maids, they're not (3,7)
- Lorenzo's family tailed me in Italy, you say? (5)
- Medium reputation in the Spanish South (7)
- Picasso coop-out, having met Rogge, a contemporary (7)
- Academicism turned over a rock of silver (8)
- Medium poor, rickety? (4,5)
- Showplaces terrorists bar takeover (4)
- The state of Miss Malone's sheffield (5)
- Bravo! They say Steffi brought round first original print (9)
- Leaves off tidied-up sidestreets? (7)
- These have caused a few ups and downs (7)

Down

- Space traveller's competence saving coppers? (6)
- The venerable Timothy, taken in for retirement? (7)
- Old labourer's foaming, they say (4)

Crossword solution 21,262

ACROSS
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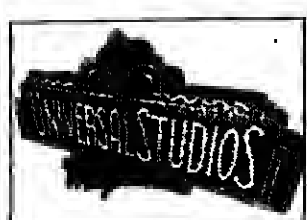


Pop portfolio: EMI is the world's third largest music corporation with acts including Chumbawumba, above

PHOTOGRAPH MARTIN GOWEN

The runners and riders

Seagram



SPECULATION remains that the Canadian-based drinks and entertainment group is the leading stalker after persistent talk of meetings between Sir Colin Southgate and Seagram's chief, Edgar Bronfman. Thought to be the first while suitor of UK rival Allied Domecq, Seagram's brands include Glenlivet and Chivas Regal scotch whisky plus Odbins, the drinks retailer. Bronfman has also made a successful foray into the entertainment industry, buying the ailing MCA picture studio from Matsushita and turning it into a money-spinner, releasing—among others—Steven Spielberg's high-grossing *The Lost World*.

Bertelsmann



CLOSELY-held Bertelsmann—more than two-thirds of the company is owned by the non-profit Bertelsmann Foundation, while the founding family retains the balance—is the world's leading force in publishing after its purchase of America's Random House last month. While publishing is the German company's bread and butter, Bertelsmann has been one of the first off the mark on this side of the Atlantic to embrace the digital age. The company united with America Online to purchase Internet service provider CompuServe Europe earlier this year.

Disney



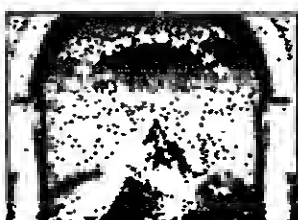
THE originator of Mickey Mouse and Donald Duck, Disney's holdings have a huge span, with operations in 100 countries. In addition to its profitable theme parks, Disney owns ABC, one of America's largest television networks, five film studios and five publishing houses. The company struck gold again last week. Huge crowds at the opening of its Florida-based theme park, Animal Kingdom, forced Disney to close the gates for hours. Performance aside, Disney chief Michael Eisner draws criticism for his autocratic style. Barclays Banks is second-largest investor with 2.8 per cent of shares.

Tracinda



FULLY owned by corporate raider Kirk Kerkorian (above), investment company Tracinda was reported to have approached EMI informally. Kerkorian has done well in the entertainment business, having taken over MGM studios no fewer than three times. He bought it in 1986, hawked it to Ted Turner in 1986 at a huge profit, buying back a slimmer version months later. Kerkorian unloaded the studio—again at a premium—to Pathé. That buyer fell into the hands of Credit Lyonnais—from which Kerkorian retook the studio. Tracinda now holds a 64 per cent stake.

Viacom



THE entertainment group Viacom may not be a household name, but a number of its arms certainly are, most notably the MTV music television network and the Blockbuster Video chain. In fact, EMI is already in the final year of a global music video licensing agreement with MTV. Viacom is reaping massive rewards from the success of *Titanic*—its Paramount Pictures unit co-distributed the chart-topping film, and has also produced the *Star Trek* and *Indiana Jones* series. Viacom has a massive presence in the television market through its Paramount Television division and Spelling Television.

Sales tempo slows in strongest record markets

Volume is going down in Britain and US, write **Chris Barrie** and **Simon Beavis**

FALLING sales in the US and Britain hit the global music industry last year, offsetting strong demand for CDs and cassettes in Latin America, the Far East and eastern Europe.

The industry's official statistics published yesterday, show traditionally strong markets going into reverse.

Listeners around the world spent \$38.1 billion on pre-recorded music last year, buying 2.2 billion CDs, 1.4 billion cassettes, 30 million LPs and 500 million singles—representing growth of only 2 per cent on 1996.

According to the annual

survey by the International Federation of the Phonographic Industry, European sales grew by 4 per cent to \$12.7 billion. But expansion in key markets slowed, particularly in the UK where four years of growth went into reverse. British consumers bought 3 per cent fewer units and spent \$2.7 billion—2 per cent less than in 1996.

In Germany—Europe's biggest market in 1997—sales grew by a mere 1 per cent to \$2.8 billion while in France the market expanded by 8 per cent to \$2.2 billion, and in Spain by 14 per cent.

The strongest growth came

in eastern Europe, with Hungary and Poland reporting a 20 per cent surge.

The US market shrank by 3 per cent with total sales of \$11.5 billion. The fall was blamed on lower shipments to clubs and other special markets, while retail consumers spent more.

The IFPI pointed out that the full effect of the currency turmoil in the Far East would show when 1998 figures are published next year. Sales in South Korea, Thailand and Indonesia fell by more than 30 per cent last year.

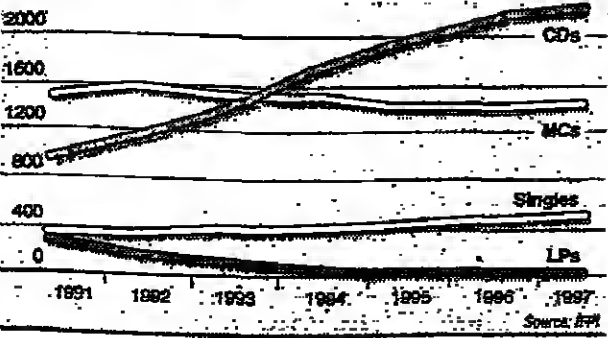
A senior music industry manager warned that takeovers and mergers were no panacea.

Paul Russell, president of Sony Music Entertainment in Europe, said that "consolidated and remote management" could result if the top six music companies tried to form even larger multi-

national combines. Although Mr Russell declined to comment on the future of EMI, he said: "As a multi-national

The rocketing CD market

World sales by format, units, millions



there are economies of scale that cannot be ignored, but the company can be too big, especially in the developed markets of Europe where the amount of local repertoire... is increasing."

To match the artistic flair of the independent record labels, large groups had to be "flexible and on their feet, not qualities you associate with huge multi-national groups". Large groups wanted to increase their sources of repertoire, but that could be achieved without consolidation.

Mr Russell said mergers between the six leading players, which hold 75 per cent of the global market, could face regulatory hurdles. Nor was it easy to "weld bunches of people together" in an industry driven by strong personalities.

Judgment Day

G2 with Europe

Sealed with a kiss



Highbury the party for its champion

Sue Quinn

A T least a dozen of them had thrown their selves and their beer across the bonnet of the police car in utter jubilation, stopping it in its tracks, or even the cops inside had to smile. There was only one way to do it.

Fashanu

John Duncan
Sports Correspondent

JUSTIN FASHANU, the 21-year-old who shot to fame as a 5'11" tall, 170lb, 17-year-old, was found in a shabby east London back-up garage after his police car was stopped by a security guard. He was wearing a white t-shirt and blue jeans.

Fashanu, who once coached for the British national football team and who fell out with his manager John Wood, was found on Saturday by a passer-by in a row of garages under a railway arch in Stratford, east London. A post-mortem was being

Inside